



DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

Notice of FTA Transit Program Changes, Authorized Funding Levels and Implementation of the Infrastructure Investment and Jobs Act; and FTA Fiscal Year 2022 Apportionments, Allocations, Program Information and Interim Guidance.

AGENCY: Federal Transit Administration (FTA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This notice announces changes in Federal Transit Administration (FTA) programs in accordance with amendments to Federal public transportation law by the Bipartisan Infrastructure Law (enacted as the Infrastructure Investment and Jobs Act (IIJA)). The IIJA authorizes surface transportation programs of the Department of Transportation (DOT) for Federal fiscal years (FY) 2022 through 2026 and provides advance appropriations for certain programs. This notice provides preliminary implementation instructions and guidance for the new and revised programs in FY 2022, announces the funding apportionment for programs authorized and funded with FY 2022 contract authority and appropriations, and describes future plans for several competitive programs. The notice also includes locations of FY 2022 apportionment tables and unobligated (or carryover) funds allocated under the discretionary programs from prior years.

FOR FURTHER INFORMATION CONTACT: For general information about this notice contact John Bodnar, Director, Office of Transit Programs, at (202) 366-9091.

Please contact the appropriate FTA Regional Office for any specific requests for

information or technical assistance. FTA Regional Office contact information is available at: <https://www.transit.dot.gov/about/regional-offices/regional-offices>.

An FTA headquarters contact for each major program area is included in the discussion of that program in the text of this notice. FTA recommends that stakeholders subscribe to GovDelivery (<https://public.govdelivery.com/accounts/USDOTFTA/subscriber/new>) to receive email notifications when new information is available.

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I. Overview

This document contains important information and interim guidance about new FTA programs and changes to existing FTA program statutes (49 U.S.C. 5301, et seq.), as amended by the Bipartisan Infrastructure Law, which was enacted as the Infrastructure Investment and Jobs Act (IIJA) (Pub. L. 117-58), signed by President Biden on November 15, 2021, and effective on October 1, 2021.

In addition, this document provides apportionments for FTA formula and discretionary programs for FY 2022 based on the Consolidated Appropriations Act, 2022 (Pub. L. 117-103, March 15, 2022). It also contains information on how FTA plans to administer its transit programs in FY 2022 and how funds appropriated and allocated prior to FY 2022 will be treated.

This notice highlights important changes to FTA programs, including new competitive programs. It describes definitional changes and cross-cutting requirements

and provides specific information about FTA's statutory programs as amended by the IIJA.

For each FTA program, FTA has provided information on the IIJA-authorized funding levels for FY 2022, the basis for apportionment or allocation of funds, requirements specific to the program, period of availability of funds, and other program information. A separate section provides information on pre-award authority and other requirements and guidance applicable to FTA programs and grant administration. Finally, the notice includes references to tables on FTA's website that show amounts apportioned under the FY 2022 appropriations and approximately \$2.3 billion in unobligated or carryover funding available in FY 2022 under certain competitive programs carried out in accordance with prior authorization acts.

Information in this document includes references to the existing FTA program guidance and circulars. Some information may have been superseded by new provisions in the IIJA, but these guidance documents and circulars remain a resource for program management in most areas. FTA intends to revise the guidance and circulars, as appropriate, with an opportunity for public comment when necessary.

II. FY 2022 Funding for FTA Programs

A. Federal transit law as amended by the IIJA Authorization and FY 2022

Appropriations

The IIJA is the new five-year surface transportation reauthorization legislation that provides FTA an authorization level of \$21.01 billion in FY 2022 and up to a total of \$108.15 billion from FY 2022 through FY 2026. The IIJA modifies certain transit programs; provides significant funding increases; creates four new competitive grant programs; and changes several cross-cutting requirements. The law continues and expands FTA's authority to strengthen the safety of public transportation systems throughout the United States.

Of the \$108.15 billion, the IIJA provides for \$69.9 billion to be provided from the Mass Transit Account, provides \$21.25 billion in advance appropriations, and authorizes an additional \$17 billion to be appropriated from the General Fund of the Treasury.

The Consolidated Appropriations Act, 2022, appropriated \$16,264,763,267 for FY 2022, providing the authorized \$13.355 billion for the Mass Transit Account; appropriated \$504,263,267 in Transit Infrastructure Grants, including an additional \$175 million for the Buses and Bus Facilities Competitive grant program, an additional \$75 million for the Low or No Emission Grants program, an additional \$6.5 million for the Urbanized Area Passenger Ferry program; an additional \$2 million for the Bus Testing program, an additional \$12 million for several research programs, \$20 million for competitive grants to assist areas of persistent poverty, \$200,798,267 for Community Project Funding/Congressionally Directed Spending and an additional \$12.965 million to the ferry service for rural communities program; appropriated \$7.5 million in additional technical assistance and training funding; appropriated \$2.248 billion for the Capital Investment Grant program and the Expedited Project Delivery Pilot Program, and appropriated \$150,000,000 for the Washington Metropolitan Area Transit Authority. Combined with the \$4.25 billion in advance appropriations for FY 2022, a total of \$20,514,763,267 was appropriated for FY 2022. Funding availability for each program is identified in section IV of this notice and Table 1 located on FTA's FY 2022 Apportionment web page.

B. Oversight Takedown

The IIJA did not modify the percentage takedown for oversight provided in section 5338(c).¹ The following oversight takedowns of FTA programs will be applied: 0.5 percent of Metropolitan and Statewide Planning funds, 0.75 percent of Urbanized

¹ All references to "section" herein refer to sections of Chapter 53 of Title 49 of the United States Code, unless otherwise specifically stated.

Area Formula funds, 1 percent of Fixed Guideway Capital Investment Grants funds, 0.5 percent of Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities, 0.5 percent of Formula Grants for Rural Areas, 1 percent of State of Good Repair Formula funds, 0.75 percent for Grants for Buses and Bus Facilities, and 1 percent of Capital and Preventive Maintenance Projects for Washington Metropolitan Area Transit Authority funds. The funds are used to provide necessary oversight activities, such as oversight of the construction of any major capital project receiving Federal transit assistance; to conduct State Safety Oversight, drug and alcohol, civil rights, procurement systems, management, planning certification, and financial reviews and audits, as well as evaluations and analyses of recipient-specific problems and issues; to generally provide technical assistance and correct deficiencies identified in compliance reviews and audits; and to support FTA's administrative expenses.

Additionally, the IIJA provides for a 2 percent takedown from each of the advance appropriations provided under Division J, Title VIII of IIJA, except for the Capital Investment Grant takedown, which remains at 1 percent. One-half percent of that two percent is to be provided to the U.S. DOT Office of the Inspector General (OIG).

C. Formula Apportionment Data and Methodology

1. Apportionment Tables

FTA has published apportionment tables on its website for each program that reflect the full-year appropriations less oversight take-downs, as applicable. Tables displaying the funds available to eligible states, tribes, and urbanized areas have been posted to <http://www.transit.dot.gov/funding/apportionments>. This website contains a page listing the apportionment and allocation tables for FY 2022, as well as links to prior year formula apportionment notices and tables and the National Transit Database and Census data used to calculate the FY 2022 apportionments.

2. National Transit Database and Census Data Used in the FY 2022 Apportionments

Consistent with past practices, the calculations for sections 5307, 5311, including 5311(j) (Tribal Transit), 5329, 5337, and 5339 programs rely on the most-recent transit service data reported to the National Transit Database (NTD), which in this case is the 2020 report year. Due to the ongoing impacts of the COVID-19 pandemic, FTA allowed all transit agencies to substitute their 2019 NTD data in place of their 2020 data in all cases where that transit agency provided more vehicle revenue miles of service in 2019 than in 2020. In some cases where an apportionment is based on the age of the system, the age is calculated as of September 30, 2021, which was the last day before FY 2022 began. Any recipient or beneficiary of either the section 5307 or section 5311 program funds is required to report to the NTD. All other FTA grant recipients that own, operate, or manage transit capital assets must report their asset data to the NTD. Additionally, a number of transit operators report to the NTD on a voluntary basis. For the 2020 report year, the NTD includes data from 949 reporters in urbanized areas, 929 of which reported operating transit service. The NTD also includes data from 1,326 providers of rural transit service, which includes 133 Indian Tribes providing transit service. The IJJA made a number of changes to NTD reporting requirements. Before implementing these changes, FTA will provide notice and seek comment on implementation in a separate notice in the *Federal Register*.

The 2010 Census data is used to determine population and population density for sections 5303, 5305, 5307 and 5339 as well as rural population and rural land area for Section 5311². The formulas for sections 5307, 5311, and 5311(j) include tiers where funding is allocated on the basis of the number of persons living in poverty, and the

² It should be noted that the 2020 Census data is not yet available. Once published the data will be applied to the FY 2023 allocations.

Section 5310 formula program allocates funding on the basis of the population of older adults and people with disabilities. The Census Bureau no longer publishes decennial census data on persons living in poverty and persons with disabilities. As a result, since FY 2013, FTA has been using the data for these populations available via the Census' American Community Survey (ACS). The NTD and census data that FTA used to calculate the apportionments associated with this notice can be found on FTA's Web site: Formula Apportionments Data.

The FY 2022 apportionments use data on low-income persons, persons with disabilities, and older adults from the 2015 - 2019 ACS five-year data set, which was published in December 2020. This data represents the most recent five-year ACS estimates that are available as of October 1st for the year being apportioned. As was the case in prior years, data on low-income persons comes from ACS Table B17024, "Age by Ratio of Income to Poverty in the Last Twelve Months," and data on people with disabilities under 65 years old comes from ACS Table S1810, "Disability Characteristics." For the FY 2022 apportionments, FTA is using data on older adults (over 65 years old) from ACS Table B01001, "Sex by Age" after determining that the ACS table used in prior fiscal years (ACS Table S.0103, "People over 65 in the United States") did not include data for all urbanized areas.

D. Previously Authorized Funding

For programs that are continued under the IIJA with amendments, the provisions of the IIJA now apply to all unobligated funds from FY 2021 and prior years, as well as to FY 2022 funds.

III. The IIJA and FY 2022 Appropriations: Highlights of Changes

The IIJA generally continued FTA's existing programs with substantial increases in funding. However, it did modify certain FTA's formula and competitive programs, created four new competitive grant programs, and modified FTA's cross-cutting and regulatory requirements in several areas.

A. Grant Program Modifications

1. Modifications to Formula Programs

In addition to increased funding levels, the IIJA modified several of the formula programs. Modifications to the amounts for particular programs or subprograms are described in Section IV.

a. Urbanized Area Formula Program:

The IIJA requires each recipient that serves urbanized areas with populations of 200,000 or more to allocate not less than 0.75 percent of their Urbanized Area Formula Program funds to safety-related projects. Examples of activities that may satisfy this requirement are wide-ranging, and may include projects such as improving air filtration systems or lighting on transit property, or procurements that improve safety by replacing older vehicles in a poor state of good repair with newer vehicles in a good state of repair with modern safety features. Recipients in large urbanized areas that may use section 5307 funding for operating expenses by qualifying under the "100-bus rule" may identify operating expenses that satisfy the safety requirement. Note that this is separate from the requirement for urbanized areas to use 1 percent of the funds apportioned under section 5336 for security under the Urbanized Area Formula Program. However, some safety expenditures identified to satisfy the safety requirement may also be used to support the 1% requirement for security-related projects for the UZA if the recipient can justify the expense as both a safety and a security expense.

b. Grants for Buses and Bus Facilities Formula Program:

The IIJA modifies the Grants for Buses and Bus Facilities Formula and Competitive programs to include a requirement for applicants to use, to the extent

possible, innovative procurement tools authorized under Section 3019 of the FAST Act (Pub. L. 114-94). If fewer than five buses are purchased through a stand-alone procurement, the recipient must provide a written explanation to FTA of why the authorized procurement tools were not used. (See Section IV.O.)

2. Competitive Programs

The IIJA continues six competitive programs and creates four new programs. FTA is in the process of developing program guidance for all discretionary programs, which will be published in Notices of Funding Opportunity (NOFO) for each program. These include:

a. Transit-Oriented Development Planning Pilot Program (Section 20005(b) of MAP-21)

This competitive pilot program for transit-oriented development (TOD) planning grants continues and is authorized for \$68.9 million over five years, with \$13.1 million authorized for FY 2022. Eligible activities include site-specific as well as comprehensive planning associated with new fixed guideway and core capacity improvement projects. The comprehensive plans should enhance economic development, ridership, and other goals established during the project development and engineering processes; facilitate multimodal connectivity and accessibility; increase access to transit hubs for pedestrian and bicycle traffic; enable mixed-use development; identify infrastructure needs associated with the project; and include private sector participation. Also, provisions under the IIJA now permit federal financing for site-specific as well as comprehensive planning. Previously only comprehensive planning was eligible for federal funds. A NOFO will be published announcing the amount of funding available, application procedures, project and applicant eligibility, and relevant selection criteria.

For more information or questions on this program, please contact April McLean-McCoy at 202-366-7429 or april.mcleanmccoy@dot.gov.

b. Passenger Ferry Grant Program (49 U.S.C. 5307(h))

The competitive Passenger Ferry Grant Program continues without changes. Of the amount authorized for Section 5307 each year, \$30 million is set aside for the competitive discretionary Passenger Ferry Grant Program. Eligible projects are capital projects in urbanized areas including ferries, terminals, and related infrastructure. A NOFO will be published announcing the amount of funding available, application procedures, project and applicant eligibility, and relevant selection criteria.

For more information about this program, please contact Vanessa Williams at 202-366-4818 or Vanessa.Williams@dot.gov

c. Electric or Low-Emitting Ferry Pilot Program (NEW)

The IIJA authorizes a new pilot program to provide grants for the purchase of electric or low-emitting ferries and the electrification of or other reduction of emissions from existing ferries. A total of \$50 million for each fiscal year through 2026 is authorized to be appropriated to carry out this program. An additional \$50 million in advance appropriations is provided each fiscal year, for a total of up to \$100 million annually.

The term “electric or low-emitting ferry” means a ferry that reduces emissions by utilizing alternative fuels or onboard energy storage systems and related charging infrastructure to reduce emissions or produce zero onboard emissions under normal operation.

A NOFO will be published announcing the amount of funding available, application procedures, project and applicant eligibility, and relevant selection criteria.

For more information about this program, please contact Vanessa Williams at 202-366-4818 or Vanessa.Williams@dot.gov

d. Ferry Service for Rural Communities (NEW).

The IIJA authorizes a new competitive program to provide funds to States for basic essential ferry service. A total of \$200 million per year is authorized to be

appropriated over five years with an additional \$200 million in advance appropriations provided for each of fiscal years 2022 through 2026 to carry out this program. In FY 2022, an additional \$12.965 million was appropriated, for a total of \$212,965,000 to be made available.

A NOFO will be published announcing the amount of funding available, application procedures, project and applicant eligibility, and relevant selection criteria.

For more information about this program, please contact Sarah Clements at 202-366-3062 or sarah.clements@dot.gov

e. Innovative Coordinated Access and Mobility Pilot Program (FAST Act Section 3006(b))

The competitive pilot program for innovative coordinated access and mobility continues without changes. A total of \$24.1 million is authorized for this program over five years, with \$4.6 million authorized in FY 2022. Eligible applicants include state departments of transportation, designated recipients of formula grants for the Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) program, local governmental entities that operate a public transportation service, or their eligible subrecipients. The program is designed to assist in financing innovative projects that improve the coordination of transportation services and non-emergency medical transportation (NEMT) services for people who are transportation disadvantaged. A NOFO was published on October 7, 2021, that announced funding, application procedures, project and applicant eligibility, and relevant selection criteria (86 FR 55907). A report is published each year on the pilot program. The most recent report is available at Section 3006(b) Pilot Program for Innovative Coordinated Access and Mobility Fiscal Year 2021.

For more information about this program, please contact Destiny Buchanan at 202-493-8018 or destiny.buchanan@dot.gov

f. Rail Vehicle Replacement Program (NEW)

The IIJA authorizes a new competitive program funded under the State of Good Repair formula program at \$1.5 billion over five years, with \$300 million annually to assist State and local governmental authorities in financing capital projects for the replacement of rail rolling stock. The IIJA requires that not more than 3 new awards shall be issued to eligible projects under this program on a competitive basis each fiscal year.

In awarding grants under this program consideration shall be given to—

- (A) the size of the rail system of the applicant,
- (B) the amount of funds available to the applicant under this subsection,
- (C) the age and condition of the rail rolling stock of the applicant that has exceeded or will exceed the useful service life of the rail rolling stock in the 5-year period following the grant; and
- (D) whether the applicant has identified replacement of the rail vehicles as a priority in the investment prioritization portion of the transit asset management plan of the recipient pursuant to 49 CFR part 625 (or successor regulations).

The amount of grant assistance provided under subsection 5337(f), as a share of eligible project costs, shall be not more than 50 percent. The total Federal share of the cost of an eligible project carried out under this program shall not exceed 80 percent; eligible recipients may supplement the section 5337(f) share with other Federal funds, including FTA formula funds. Eligible projects selected for funding may be carried out through a multi-year grant agreement of up to 3 consecutive fiscal years.

A NOFO will be published announcing the amount of funding available, application procedures, project and applicant eligibility, and relevant selection criteria.

For more information about this program, please contact Mark Bathrick, 202-366-9955 or mark.bathrick@dot.gov

g. Public Transportation on Indian Reservations Competitive Program

(49 U. S. C. 5311(c)(1)(A))

The Public Transportation on Indian Reservations competitive program continues with \$45.8 million authorized over 5 years with \$8.75 million authorized for FY 2022. The program is otherwise unchanged. FTA published a NOFO announcing FY 2022 Tribal Transit competitive funding on February 16, 2022 (87 FR 8923).

For more information about this program, please contact Elan Flippin, 202-366-3800 or elan.flippin@dot.gov

h. Grants for Buses and Bus Facilities Competitive Program (49 U.S.C. 5339(b))

The competitive buses and bus facilities program is continued with several modifications. A total of \$1.9 billion over five years is authorized to carry out the 5339(b) Grants for Buses and Bus Facilities Competitive Program, with \$372 million authorized in FY 2022. An additional \$175 million was appropriated in FY 2022, for a total of \$547 million. Eligible capital projects include projects to replace, rehabilitate, lease, and purchase buses and related equipment and projects to purchase, rehabilitate, construct or lease bus-related facilities. Modifications include a requirement for applicants to use, to the extent possible, innovative procurement tools authorized under Section 3019 of the FAST Act. If fewer than five buses are purchased through a stand-alone procurement, the recipient must provide a written explanation to FTA of why the authorized procurement tools were not used. (See Section C.3). Applicants of zero-emission buses must also submit a fleet transition plan and 5 percent of the requested funds in their application must be for workforce development activities, unless the applicant certifies that less is needed to carry out their zero-emission fleet transition plan. The law permits an applicant to the Grants for Buses and Bus Facilities Competitive Program competitive program that is also applying for the Low or No Emission Grant

program to propose partnerships with other entities, which would then be deemed to satisfy the competitive procurement requirements under 49 U.S.C. 5325. The law now requires FTA to issue the NOFO within 30 days of a full-year appropriation and announce selections within 75 days of the application due date and increases the minimum for rural awards from 10 to 15 percent of the total, unless there are insufficient applications. FTA published the NOFO for the program on March 4, 2022 (87 FR 12528).

For more information about the Grants for Buses and Bus Facilities Competitive Program, contact Amy Volz, Office of Transit Programs at (202) 366-7484 or Amy.Volz@dot.gov

i. Low or No Emission Program (49 U.S.C. 5339(c))

The Low or No Emissions Program (Low-No Program) is continued with several modifications. The IIJA authorizes \$374,550,890 and provides an additional \$5.25 billion in advance appropriations for a total of \$5.6 billion over five years, with \$1.1 billion authorized for FY 2022. An additional \$75 million was appropriated in FY 2022 for a total of \$1.175 billion. Eligible projects or programs of projects include the acquisition and leasing of low or no emission vehicles, constructing and leasing facilities, and rehabilitating or improving existing facilities to accommodate low or no emission vehicles. Modifications include a clarification that requirements of section 5311 apply to rural recipients. The law requires applicants for zero-emission buses to submit a fleet transition plan, and 5 percent of the funds requested in the application must be for workforce development activities, unless the applicant certifies that less is needed to carry out its zero-emission fleet transition plan. A recipient of a grant under this subsection may submit an application in partnership with other entities, including a transit vehicle manufacturer, that intends to participate in the implementation of an eligible project under this subsection. Eligible projects awarded with partnerships under

this subsection shall be considered to satisfy the requirement for a competitive procurement under section 5325. Not less than 25 percent of Low or No Emissions Grants total funding must be used for low-emission vehicles and related facilities (such as compressed natural gas or hybrid vehicles). FTA published the NOFO for the program on March 4, 2022 (87 FR 12528).

For more information about the Low or No Emission Program, contact Amy Volz, Office of Transit Programs at (202) 366-7484 or Amy.Volz@dot.gov

j. All Station Accessibility Program (NEW)

The advance appropriations of the IIJA provides \$1.75 billion (\$350 million per year) for a new competitive All Stations Accessibility Program (ASAP) to provide states and local government authorities funding for capital projects to upgrade the accessibility of legacy rail fixed guideway public transportation systems for people with disabilities, including those who use wheelchairs, by increasing the number of existing stations or facilities for passenger use that meet or exceed the construction standards of Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.). Eligible entities are encouraged to consult with appropriate stakeholders, including current and potential transit customers with disabilities and disability advocacy groups, and the surrounding community to ensure the projects provide accessibility for individuals with disabilities, including accessibility for individuals with physical disabilities, including those who use wheelchairs; accessibility for individuals with sensory disabilities; and accessibility for individuals with intellectual or developmental disabilities

An eligible entity may not use a grant awarded under this program to upgrade a station or facility for passenger use that is accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, consistent with current (as of the date of the upgrade) construction standards under Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131, et seq.).

A grant for a project made with amounts made available under this program shall be for 80 percent of the net project cost. All projects shall at least meet the construction standards of Title II of the Americans with Disabilities Act of 1990 as implemented by the U.S. DOT ADA regulations at 49 CFR parts 37 and 38.

FTA will publish a NOFO announcing the amount of FY 2022 funding available, application procedures, project and applicant eligibility, and relevant selection criteria.

For more information about this program, please contact Kevin Osborn at 202-366-7519 or Kevin.Osborn@dot.gov

k. Public Transportation Emergency Relief Program (49 U.S.C. 5324).

The IIJA modified the Emergency Relief Program to require an applicant, before receiving a grant, to (1) submit to FTA documentation demonstrating proof of insurance required under Federal law for all structures related to the grant application; and (2) certify to FTA that the applicant has insurance required under State law for all structures related to the grant application.

For more information or questions on this program, please contact Tom Wilson at (202) 366-5279 or Thomas.Wilson@dot.gov

l. Capital Investment Grants Program.

The IIJA continues, with modifications, the discretionary Fixed Guideway Capital Investment Grants (CIG) program, which funds fixed guideway investments including new and expanded rapid rail, commuter rail, light rail, streetcars, bus rapid transit, and ferries, as well as corridor-based bus rapid transit investments that emulate the features of rail. There are three categories of eligible projects under the CIG program: New Starts, Small Starts, and Core Capacity. Each type of CIG project has a unique set of requirements in the law, although many similarities exist among them. To be eligible to receive a CIG construction grant, all proposed projects must go through a multi-year, multi-step development process outlined in the law. FTA is required to evaluate and rate

CIG projects on statutorily defined project justification and local financial commitment criteria that differ by project type, and a project must receive at least a “Medium” overall rating to advance through the steps in the process and receive a construction grant award. The IIJA authorizes \$3 billion per year in annual appropriations for the CIG Program, including funding that may be awarded under the Expedited Project Delivery Pilot Program. In addition, the law directly provides \$1.6 billion per year in advance appropriations as a supplement to annual appropriations for this program.

Additionally, the IIJA makes several revisions:

- Revises the Small Starts and New Starts eligibility thresholds. Small Starts are now projects with a total estimated project cost of less than \$400,000,000 and that are seeking CIG funding of less than \$150,000,000. New Starts are projects with a total estimated project cost of \$400,000,000 or more or that are seeking CIG funding of \$150,000,000 or more.
- Revises Core Capacity project eligibility to corridors that are at capacity today or will be in 10 years, rather than the 5-year timeframe under the FAST Act.
- Establishes a process for immediate and future bundling of CIG projects to allow sponsors to move multiple projects through the CIG pipeline simultaneously. The new bundling eligibilities replace the prior “Program of Interrelated Projects” eligibility.
- Adds a requirement for the Secretary to determine that a project sponsor has made progress toward meeting the transit asset management performance targets required by 49 U.S.C. 5326(c)(2).
- Amends the “warrants” provisions for New Starts and Core Capacity projects to remove the requirement that the total estimated capital cost of the project must be under \$100,000,000.

- Requires the Secretary to provide full and fair consideration to projects that seek an updated rating after a period of inactivity following an earlier rating and evaluation.
- Adds a requirement that FTA publish, at least monthly, a dashboard on its public website with information on each project seeking CIG funding.
- Revises Before and After Study requirements (an analysis of predicted versus actual cost and ridership outcomes after a CIG project opens for service). The requirement that FTA report on those studies to Congress annually was also eliminated. Instead, the GAO, as part of its biennial review of the CIG program, will report to Congress on the differences between the predicted and actual outcomes for CIG projects.
- Revises the congressional notification timeframe required before a CIG construction grant can be awarded from 30 days to 15 days for New Starts and Core Capacity projects.

On March 15, 2022 FTA published in the *Federal Register* a Notice of availability of initial guidance proposals for the Capital Investment Grants program (87 FR 14612).

m. Grants to Assist Areas of Persistent Poverty

This competitive pilot program for the Areas of Persistent Poverty Program (AoPP) has been appropriated in FY 2020 (\$8,500,000), 2021 (\$16,220,000) and 2022 (\$20,000,000). As required by law, funds will be awarded competitively for planning, engineering, or development of technical or financing plans for projects that assist areas of persistent poverty. To be considered eligible, proposed projects must be in a county with 20 percent or more of the population living in poverty over the 30 years preceding the date of enactment of the appropriation act, as measured by the 1990 and 2000 decennial census and the most recent Small Area Income and Poverty Estimates, or from

any census tract with a poverty rate of at least 20 percent as measured by the 2013–2017, 5-year data series available from the American Community Survey of the Census Bureau. The FTA has posted a table and maps of the Areas of Persistent Poverty that meet these criteria at www.transit.dot.gov. A NOFO will be published announcing the amount of funding available, application procedures, project and applicant eligibility, and relevant selection criteria.

For more information or questions on this program, please contact Tonya Holland at 202-493-0283 or tonya.holland@dot.gov

B. Washington Metropolitan Area Transit Authority Funding

The IIJA reauthorizes the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) (Pub. L. 110-432) to provide supplemental funding for the Washington Metropolitan Area Transit Authority (WMATA) through fiscal year 2030 at \$150,000,000 annually. Each year, WMATA must set aside \$5,000,000 for the exclusive use of the WMATA Inspector General. A GAO audit is required within three years to assess the independence of the Inspector General and the extent to which additional required reforms have been implemented and are successful.

C. Definitional Changes and New Definitions

Section 30001 of the IIJA amended section 5302 to provide one new definition and to amend existing definitions that clarify eligibility and requirements within FTA’s programs. Unless otherwise stated, these definitions apply across all FTA programs, and are effective with all funds obligated on or after October 1, 2021, even if the funds were appropriated in earlier fiscal years. Several important definitional changes include:

1. Assault on a Transit Worker

The term “assault on a transit worker” means a circumstance in which an individual knowingly, without lawful authority or permission, and with intent to endanger

the safety of any individual, or with a reckless disregard for the safety of human life, interferes with, disables, or incapacitates a transit worker while the transit worker is performing the duties of the transit worker.

2. Capital Project

The provision of technology to fuel a zero-emission vehicle is now an eligible expense as a part of a joint development project. Guidance will be forthcoming on this issue.

D. Cross-cutting Programmatic Requirements and Changes

The following cross-cutting requirements apply to all FTA programs as of October 1, 2021, unless otherwise noted.

1. Metropolitan and Statewide Planning

The planning programs provide funding and procedural requirements to metropolitan areas and States for multimodal transportation planning that is cooperative, continuous, and comprehensive, resulting in long-range plans and short-range programs of projects that reflect transportation investment priorities. The planning programs are jointly administered by FTA and the Federal Highway Administration (FHWA), which provides additional funding. There are five changes noted below. The amendments to sections 5303, 5304, 5305 include:

- Adds consideration of state and local housing patterns in the metropolitan planning process and requires MPOs to provide affordable housing organizations an opportunity to comment on the transportation plan.

- Requires MPOs to ensure the consistency of data used in the planning process, including information used in forecasting travel demand, if more than one MPO is designated within an urbanized area.
- Permits the use of social media and other web-based tools to encourage public participation in the planning process.
- Requires MPOs to consider the equitable and proportional representation of the population of the metropolitan planning area when designating officials for the first time.
- Permits a greater than 80 percent federal share for transportation planning in certain circumstances and requires a federal share of not less than 90 percent for activities that assist lower-density or lower-income portions of urbanized or adjoining rural areas.

In addition to changes in sections 5303 and 5304, FTA notes the Metropolitan and Statewide planning processes continue to emphasize a performance-based planning process: MPOs and State DOTs must establish performance targets that address forthcoming U.S. DOT-issued national performance measures that are based on the goals outlined in the legislation—safety, infrastructure condition, congestion reduction, system reliability, economic vitality, environmental sustainability, reduced project delivery delays, transit safety, and transit asset management. MPOs also must coordinate their performance targets, to the maximum extent practicable, with performance targets set by FTA recipients under the new performance measure requirements for safety and state of good repair. Transportation Improvement Programs (TIPs) must include a description of the anticipated progress toward achieving the performance targets identified in the metropolitan transportation plan, linking investment priorities to those performance targets.

2. Innovative Bus Procurement

The IIJA amends the Grants for Buses and Bus Facilities formula and competitive programs and requires applicants to use, to the extent possible, innovative procurement tools authorized under Section 3019 of the FAST Act. If fewer than five buses are purchased through a stand-alone procurement, the recipient must provide a written explanation to FTA of why the authorized procurement tools were not used. Innovative procurements authorized under Section 3019 of the FAST Act include: (1) state cooperative procurement schedules in which a state government enters into a cooperative procurement contract with one or more vendors in which the vendors agree to provide an option to purchase rolling stock and related equipment to the State government and any other participant; and the State government acts throughout the term of the contract as the lead procurement agency; (2) participation in the FTA pilot program for nonprofit cooperative procurements (Interested applicants may forward a Letter of Interest to: James Harper@dot.gov); (3) procurements resulting from the joint procurement clearinghouse found in TrAMS; or (4) a capital lease. Note that Section 3019 requires all recipients of capital leases (rolling stock and related equipment) to submit to FTA, no later than three years after the date on which the lease was entered, a report evaluating the overall costs and benefits of leasing rolling stock and comparing the expected short-term and long-term maintenance costs of leasing versus buying rolling stock.

As procurement decisions may be made before or after grant award, the written explanation, if applicable, should be provided with the TrAMS grant application or if the procurement decision is made after grant award, to the appropriate FTA Regional Office. It is not required for an application in response to a NOFO for a project not yet selected. The written explanation may be provided in the form of a letter explaining why the provisions of Section 3019 were not utilized for the procurement.

3. Disposition of Rolling Stock, Equipment, and Supplies

The IIJA added a provision changing disposition requirements for rolling stock and equipment with a fair market value of more than \$5,000 per unit and unused supplies with a total aggregate fair market value of more than \$5,000 that were purchased using Federal financial assistance under Chapter 53. If the rolling stock, equipment, or supplies are sold at the end of their service life, the recipient shall now retain an amount equal to: (1) the sum of \$5,000, and (2) of the remaining proceeds, a percentage of the amount equal to the non-Federal share expended by the recipient in making the original purchase. After the recipient calculates and retains this amount, any remaining amounts must be returned to FTA. For example, if a bus is sold at the fair market value of \$12,000 and funded with an 80 percent federal share, the recipient retains \$5,000 plus 20 percent of the remaining \$7,000, or \$1,400, for a total of \$6,400; they must return 80 percent of \$7,000 (or \$5,600) to FTA.

This provision is applicable to sales that occurred after the date of enactment of the IIJA on November 15, 2021. FTA posted frequently asked questions at: <https://www.transit.dot.gov/funding/grants/bipartisan-infrastructure-law-disposition-requirements-frequently-asked-questions>.

4. Transfer of Property to Non-Governmental Entities

Section 6609 of the FY 2022 National Defense Authorization Act (NDAA) (Pub. L. 117-81) amended 49 U.S.C. 5334(h)(1), adding a disposition option for assets acquired with federal assistance but no longer needed for the originally authorized purpose. Under the new provision, the Secretary may authorize the transfer of the asset to a local governmental authority, non-profit organization, or other third-party entity if, among other factors, it will be used for transit-oriented development and includes affordable housing. When FTA concurs that the following five criteria are met, the asset may be transferred with no further obligation to the Government:

- a. The asset is a necessary component of a proposed transit-oriented development project;
- b. The transit-oriented development project will increase transit ridership;
- c. At least 40 percent of the housing units offered in the transit-oriented development, including housing units owned by nongovernmental entities, are legally binding affordability restricted to tenants with incomes at or below 60 percent of the area median income and owners with incomes at or below 60 percent the area median income, which shall include at least 20 percent of such housing units offered restricted to tenants with incomes at or below 30 percent of the area median income and owners with incomes at or below 30 percent the area median income;
- d. The asset will remain in use for at least 30 years after the date the asset is transferred; and
- e. With respect to a transfer to a third-party entity, a local government authority or nonprofit organization is unable to receive the property; the overall benefit of allowing the transfer is greater than the interest of the Government in liquidation and return of the financial interest of the Government in the asset, after considering fair market value and other factors; and the third party has demonstrated a satisfactory history of construction or operating an affordable housing development.

As part of the process to update FTA program circulars to reflect the new authorizing legislation, additional guidance and information regarding implementation of this and other provisions, maybe published for notice and comment, as determined necessary.

5. Fleet Transition Plan

The IIJA amended the statutory provisions for the Grants for Buses and Bus Facilities Competitive Program and the Low or No Emission Program to include the requirement that any application for projects related to zero-emission vehicles include a Zero-Emission Transition Plan.

A Zero-Emission Transition Plan must, at a minimum:

1. Demonstrate a long-term fleet management plan with a strategy for how the applicant intends to use the current request for resources and future acquisitions.
2. Address the availability of current and future resources to meet costs for the transition and implementation.
3. Consider policy and legislation impacting relevant technologies.
4. Include an evaluation of existing and future facilities and their relationship to the technology transition.
5. Describe the partnership of the applicant with the utility or alternative fuel provider.
6. Examine the impact of the transition on the applicant's current workforce by identifying skill gaps, training needs, and retraining needs of the existing workers of the applicant to operate and maintain zero-emission vehicles and related infrastructure and avoid displacement of the existing workforce.

6. National Transit Database (NTD)

The IIJA adds new requirements for the NTD to collect data on geographic service area coverage from recipients of the Urbanized Area Formula and Rural Area Formula programs. There is also a new requirement for the NTD to collect data on fatalities that result from impact with a bus and on transit worker assaults from all recipients of FTA funding. FTA will provide notice of its plans to implement these

requirements, and may request comment on that proposal as necessary, in a separate *Federal Register* notice.

IV. Program-Specific Information

A. Metropolitan Planning Program (49 U.S.C. 5303 and 5305(d))

Section 5305(d) makes available Federal funding to support a cooperative, continuous, and comprehensive planning program for transportation investment decision-making at the metropolitan area level. The specific requirements of metropolitan transportation planning are set forth in 49 U.S.C. 5303 and in 23 CFR part 450, as incorporated by reference in 49 CFR part 613, Statewide and Non-metropolitan Transportation Planning. State Departments of Transportation (DOTs) are direct recipients of funds allocated by FTA, and the funds are then sub-allocated to Metropolitan Planning Organizations (MPOs) for planning activities that support the economic vitality of the metropolitan area.

The metropolitan transportation planning process must establish a performance-based approach in which the MPO will develop specific performance targets that address transportation system performance measures (issued by U.S. DOT), where applicable, to use in tracking progress towards attaining critical outcomes. These performance targets will be established by MPOs in coordination with States and transit providers. MPOs will provide a system performance report that evaluates the progress of the MPO in meeting the performance targets in comparison with the system performance identified in prior reports.

This funding must support work elements and activities resulting in comprehensive intermodal transportation planning for the movement of people and goods in the metropolitan area. Comprehensive transportation planning is not limited to transit planning or surface transportation planning but also encompasses the relationships among land use and all transportation modes, without regard to the programmatic source of

Federal assistance. Eligible work elements or activities include, but are not limited to, studies relating to management, mobility management, planning, operations, capital requirements, economic feasibility, performance-based planning, safety, and transit asset management; evaluation of previously funded projects; peer reviews and exchanges of technical data, information, assistance, and related activities in support of planning and environmental analysis among MPOs and other transportation planners; planning for multimodal transportation access to transit facilities including pedestrian and bicycle access, and transit supportive land use plans; systems planning, scenario planning, and corridor-level alternative analysis; safety, security, and emergency transportation and evacuation planning; air quality planning; and development of coordinated public transit human services transportation plans. An exhaustive list of eligible work activities is provided in FTA Circular 8100.1D, *Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 10, 2018.

For more about the Metropolitan Planning Program, contact Victor Austin, Office of Planning and Environment at (202) 366-2996 or victor.austin@dot.gov

1. Authorized Amounts

The IIJA authorizes \$799.4 million over five years to provide financial assistance for metropolitan planning needs under section 5305 as follows:

Fiscal Year	2022	2023	2024	2025	2026
Funds Authorized	152,740,2811	\$155,931,187	\$160,002,736	\$163,308,011	\$167,459,619

The table above shows the funding amounts authorized for the Metropolitan Planning Program.

2. FY 2022 Funding Availability

A total of \$152,740,2811 is authorized and appropriated for the period October 1, 2021, through September 30, 2022, to the Metropolitan Planning Program (section 5305(d)) to support metropolitan transportation planning activities set forth in section 5303. The total amount apportioned for the Metropolitan Planning Program to States for

use by MPOs in urbanized areas (UZAs) is \$152,178,080, as shown in the table below, after the deduction for oversight and the addition of reapportioned funds.

Metropolitan Planning Program – FY 2022	
Total Appropriation	\$152,740,2811
Oversight Deductions	(\$763,701)
Reapportioned Funds	\$201,500
Total Apportioned	\$152,178,080

3. Basis for Formula Apportionment

The IIJA did not change the funding formula. Of the amounts authorized in section 5305, 82.72 percent is made available to the Metropolitan Planning program. Eighty percent of the funds are apportioned on a statutory basis to the States based on the most recent decennial Census for each State's UZA population. The remaining 20 percent is provided to the States based on an FTA administrative formula to address planning needs in larger, more complex UZAs. The amount published for each State includes the supplemental allocation.

4. Requirements

The State allocates Metropolitan Planning funds to MPOs in UZAs or portions thereof to provide funds for planning projects included in a one- or two-year program of planning work activities (the Unified Planning Work Program, or UPWP) that includes multimodal systems planning activities spanning both highway and transit planning topics. Each State has either reaffirmed or developed, in consultation with their MPOs, an allocation formula among MPOs within the State, based on the 2010 Census. The allocation formula among MPOs in each State may be changed annually, but any change requires approval by the FTA Regional Office before grant approval. Program guidance for the Metropolitan Planning Program is found in FTA Circular 8100.1D, *Program Guidance for Metropolitan Planning and State Planning and Research Program Grants*, dated September 10, 2018.

5. Period of Availability

The Metropolitan Planning program funds apportioned in this notice are available for obligation during FY 2022 plus three additional fiscal years. Accordingly, funds apportioned in FY 2022 must be obligated in grants by September 30, 2025. Any FY 2022 apportioned funds that remain unobligated at the close of business on September 30, 2025, will revert to FTA for reapportionment under the Metropolitan Planning program.

B. State Planning and Research Program (49 U.S.C. 5304 and 5305(e))

This program provides financial assistance to States for statewide transportation planning and other technical assistance activities, including supplementing the technical assistance program provided through the Metropolitan Planning program. The specific requirements of Statewide transportation planning are set forth in 49 U.S.C. 5304 and in 23 CFR part 450, as incorporated by reference in 49 CFR part 613, Planning Assistance and Standards. State DOTs are required to reference performance measures and performance targets within the Statewide Planning process. This funding must support work elements and activities resulting in comprehensive intermodal transportation planning for the movement of people and goods and has the same eligibilities as MPP funds. Comprehensive transportation planning is not limited to transit planning or surface transportation planning but also encompasses the relationships among land use and all transportation modes, without regard to the programmatic source of Federal assistance.

For more information, contact Victor Austin, Office of Planning and Environment at (202) 366-2996 or victor.austin@dot.gov

1. Authorized Amounts

The IIJA authorizes \$167 million over five years to provide financial assistance for statewide planning and other technical assistance activities under section 5305 as follows:

Fiscal Year	2022	2023	2024	2025	2026
Funds Authorized	\$31,907,061	\$32,573,633	\$33,424,169	\$34,114,633	\$34,981,893

2. FY 2022 Funding Availability

In FY 2022, \$31,907,061 is authorized and appropriated for the period October 1, 2021 through September 30, 2022 to the State Planning and Research Program (section 5305(e)). The total amount apportioned for the State Planning and Research Program (SPRP) is \$32,019,592 as shown in the table below, after the deduction for oversight and addition of reapportioned funds.

Statewide Planning Program – FY 2022	
Total Appropriation	\$31,907,061
Oversight Deductions	(\$159,535)
Reapportioned Funds	\$272,066
Total Apportioned	\$32,019,592

States' apportionments for this program are displayed in Table 2.

3. Basis for Formula Apportionment

The IIJA did not change the funding formula. Of the amount authorized in section 5305, 17.28 percent is allocated to the State Planning and Research program. FTA apportions funds to States by a statutory formula that is based on the most recent decennial Census data available, and the State's UZA population as compared to the UZA population of all States.

4. Requirements

Funds are provided to States for Statewide transportation planning programs. These funds may be used for a variety of purposes such as planning, technical studies and assistance, demonstrations, and management training. In addition, a State may authorize a portion of these funds to be used to supplement Metropolitan Planning funds allocated by the State to its UZAs, as the State deems appropriate. Program guidance for the State Planning and Research program is found in FTA Circular 8100.1D, *Program Guidance*

for Metropolitan Planning and State Planning and Research Program Grants, dated September 10, 2018.

5. Period of Availability

The State Planning and Research program funds apportioned in this notice are available for obligation during FY 2022 plus three additional fiscal years. Accordingly, funds apportioned in FY 2022 must be obligated in grants by September 30, 2025. Any FY 2022 apportioned funds that remain unobligated at the close of business on September 30, 2025 will revert to FTA for reapportionment under the State Planning and Research program.

C. Urbanized Area Formula Program (49 U.S.C. 5307)

The Urbanized Area Formula Program provides Federal assistance for capital, planning, job access and reverse commute projects, and, in some cases, operating assistance for public transportation in urbanized areas. An urbanized area (UZA) is an area with a population of 50,000 or more that has been defined and designated as such by the U.S. Census Bureau. Program funds are apportioned to urbanized areas through a statutory formula. In addition, \$30 million is allocated each year under this program to passenger ferry projects through a discretionary funding competition.

For more information about the Urbanized Area Formula Program, contact Bret Martin with the Office of Transit Programs, at (202) 366-0870 or bret.martin@dot.gov

1. Authorized Amounts

The IIJA authorizes \$33.5 billion over five years to provide financial assistance for urbanized areas under section 5307. Of the amounts authorized and appropriated for section 5307 in each year, \$30 million is set aside for the competitive discretionary Passenger Ferry Grant Program, 0.75 percent is apportioned to eligible States for State Safety Oversight (SSO) Program grants, 3 percent is apportioned to small transit intensive cities, and 0.75 percent is set aside for program oversight.

Fiscal Year	2022	2023	2024	2025	2026
Funds Authorized	\$6,408,288,249	\$6,542,164,133	\$6,712,987,840	\$6,851,662,142	\$7,025,844,743

2. FY 2022 Funding Availability

A total of \$6,408,288,249 is authorized and appropriated for the section 5307 program for FY 2022. The total amount apportioned to urbanized areas is \$6,920,874,612 which includes the addition of amounts apportioned to UZAs pursuant to the Section 5340 Growing States and High-Density States Formula factors and reapportioned funds. This amount excludes the set-aside for the Passenger Ferry Discretionary Program, apportionments under the State Safety Oversight Program, and oversight (authorized by section 5338), as shown in the table below:

Urbanized Area Formula Program – FY 2022	
Total Appropriation	\$6,408,288,249/a
Oversight Deductions	(\$48,062,162)
State Safety Oversight Program	(\$48,062,162)
Passenger Ferry Program	(\$30,000,000)
5340 High Density States	\$348,290,112
5340 Growing States	\$280,465,968
Reapportioned Funds	\$9,954,607
Total Apportioned	\$6,920,874,612

Includes 3 percent set-aside for Small Transit Intensive Cities Formula.

Table 3 displays the amounts apportioned under the Urbanized Area Formula Program.

The FY 2022 Appropriations provides \$48,062,162 for the State Safety Oversight Program and with the addition of \$6.5 million in Transit Infrastructure Grants, of which \$3,250,000 must be made available for low or zero-emission ferries and infrastructure, provides a total of \$36.5 million for the Passenger Ferry Program.

3. Basis for Formula Apportionment

FTA apportions Urbanized Area Formula Program funds based on statutory formulas. Congress established four separate formulas that are used to apportion the available funding: the section 5307 Urbanized Area Formula Program formula, the Small

Transit Intensive Cities (STIC) formula, the Growing States and High-Density States formulas, and a formula based on low-income population.

The IIJA made changes to the apportionment formula for FY 2022 through 2026. The percentage of funds allocated on the basis of Small Transit Intensive Cities (STIC) factor increased to 3 percent. Additionally, the takedown for the State Safety Oversight grant program has increased to 0.75 percent.

Consistent with prior apportionment notices, Table 3 shows a total section 5307 apportionment for each UZA, which includes amounts apportioned under each of these formulas. Detailed information about the formulas is provided in Table 4. For technical assistance purposes, the UZAs that receive STIC funds are listed in Table 6. FTA will provide breakouts of the funding allocated to each UZA under these formulas upon request to the FTA Regional Office.

a. Section 5307 – Urbanized Area Formula

For UZAs between 50,000 and 199,999 in population, the section 5307 formula is based on population and population density. For UZAs with populations of 200,000 and more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, bus operating costs, fixed guideway vehicle revenue miles, and fixed guideway route miles, as well as population and population density. The Urbanized Area Formula is defined in 49 U.S.C. 5336.

To calculate a UZA's FY 2022 apportionment, FTA used population and population density statistics from the 2010 Census and validated mileage and transit service data from transit provider's 2020 National Transit Database (NTD) Report Year (when applicable). Consistent with section 5336(b), FTA has included 27 percent of the fixed guideway directional route miles and vehicle revenue miles from eligible urbanized area transit systems, but which were attributable to rural areas outside of the urbanized areas from which the system receives funds. FTA has calculated dollar unit values for

the formula factors used in the Urbanized Area Formula Program apportionment calculations. These values represent the amount of money each unit of a factor is worth in this year's apportionment. The unit values change each year, based on all of the data used to calculate the apportionments, as well as the amount appropriated by Congress for the apportionment. The dollar unit values for FY 2022 are displayed in Table 5. To replicate the basic formula component of a UZA's apportionment, multiply the dollar unit value by the appropriate formula factor (i.e., the population, population x population density), and when applicable, data from the NTD (i.e., route miles, vehicle revenue miles, passenger miles, and operating cost).

The Census Bureau has indicated that it will release urbanized area boundaries and definitions from the 2020 Census in summer 2022 or later. FTA anticipates implementing these new boundaries and definitions in the FY 2023 apportionments. FTA requested comments on its procedures for incorporating the urbanized area changes into NTD reporting and published its final determination in a *Federal Register* Notice (87 FR 20500).

b. Small Transit Intensive Cities Formula

Under the STIC formula, FTA apportions 3 percent of the funds made available for section 5307 to UZAs that are under 200,000 in population and have public transportation service that operates at a level equal to or above the industry average for UZAs with a population of at least 200,000, but not more than 999,999. STIC funds are apportioned on the basis of one or more of six performance categories: passenger miles traveled per vehicle revenue mile, passenger miles traveled per vehicle revenue hour, vehicle revenue miles per capita, vehicle revenue hours per capita, passenger miles traveled per capita, and passengers per capita.

The data used to determine a UZA's eligibility under the STIC formula and to calculate the STIC apportionments was obtained from the NTD. Because performance

data change with each year's NTD reports, the UZAs eligible for STIC funds and the amount each receives may vary each year. UZAs that received funding through the STIC formula for FY 2022 are listed in Table 6.

c. Section 5340 – Growing States and High-Density States Formula

FTA also apportions funds to qualifying UZAs and States according to the section 5340 Growing States and High-Density States formula, as shown in Table 3. More information on this program and its formula is found in section IV.P. of this notice.

d. Low-Income Population

The IIJA does not change the formula factor for low-income population. Of the amount authorized and appropriated for the Urbanized Area Formula Program in each year, 3.07 percent is apportioned on the basis of low-income population.

As specified in statute, FTA apportions 75 percent of the available funds to UZAs with a population of 200,000 or more. Funds are apportioned based on the ratio of the number of low-income individuals in each UZA to the total number of low-income individuals in all urbanized areas of that size. FTA apportions the remainder of the funds (25 percent) to UZAs with populations of less than 200,000, according to an equivalent formula. The low-income populations used for this calculation were based on the American Community Survey (ACS) data set for 2015-2019. This information is updated by the Census Bureau annually.

4. Eligible Expenses

Eligible activities include planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul and rebuilding of buses; crime prevention and security equipment; construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and

computer hardware and software. All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs. For urbanized areas with populations less than 200,000, operating assistance is an eligible expense. In areas over 200,000 in population, operating assistance is an eligible expense if the special rule (100 Bus Rule) at 49 U.S.C. 5307(a)(2) applies. Job access and reverse commute activities remain eligible under the program.

In addition, recipients may use up to one-half of one percent of their section 5307 funds to support workforce development activities at an 80 percent Federal share; the eligible workforce development activities are defined in Section 5314; see Section IV. K. of this notice for more information. This provision is in addition to the one-half of one percent that recipients may use for training activities with the National Transit Institute.

5. Requirements

Program guidance for the Urbanized Area Formula Program is found in FTA Circular 9030.1E, *Urbanized Area Formula Program: Program Guidance and Application Instructions*, dated January 16, 2014, and is supplemented by additional information and changes provided in this notice and that may be posted to the FTA's section 5307 web page. FTA is in the process of updating the program circular to incorporate changes resulting from amendments to 49 U.S.C. 5307.

Key program requirements and changes that apply to all programs are addressed in section III.D. of this notice, "Cross-Cutting Programmatic Requirements and Changes." The following subsections outline several important program requirements and changes that apply specifically to the Urbanized Area Formula Program.

6. Period of Availability

Funds made available under Section 5307 are available for obligation during the year of apportionment plus five additional years. This is unchanged under the IIJA. Accordingly, funds apportioned in FY 2022 must be obligated in grants by September 30,

2027. Any FY 2022 apportioned funds that remain unobligated at the close of business on September 30, 2027, will revert to FTA for reapportionment under the Urbanized Area Formula Program.

Funds allocated under the Passenger Ferry discretionary program follow the same period of availability as section 5307. Accordingly, funds allocated in FY 2022 must be obligated in grants by September 30, 2027. Any of the funds allocated in FY 2022 that remain unobligated at the close of business on September 30, 2027, will revert to FTA for reallocation under the Passenger Ferry program.

7. What's New and Other Program Highlights

Recipients that serve urbanized areas with populations of 200,000 or more are required to allocate not less than 0.75 percent of their Urbanized Area Formula Program funds to safety-related projects. It should be noted however, some safety expenditures identified to satisfy the safety requirement may also be used to support the 1% requirement for security-related projects for the UZA if the recipient can justify the expense as both a safety and a security expense.

D. Fixed Guideway Capital Investment Grants Program (49 U.S.C. 5309)

The Capital Investment Grants (CIG) Program includes three types of eligible projects – New Starts projects, Small Starts projects, and Core Capacity Improvement projects. Funding is provided for construction of: 1) new fixed guideway systems or extensions to existing fixed guideway systems such as rapid rail (heavy rail), commuter rail, light rail, trolleybus (using overhead catenary), cable car, passenger ferries, and bus rapid transit operating on an exclusive transit lane for the majority of the corridor length that also includes features that emulate the services provided by rail fixed guideway including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional service for a substantial part of weekdays and weekends; 2) corridor-based bus rapid transit service that does not operate on an exclusive transit lane

but includes features that emulate the services provided by rail fixed guideway including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional services for a substantial part of weekdays; and 3) projects that expand the capacity by at least 10 percent of an existing fixed guideway corridor that is at capacity today or will be in ten years.

Projects become candidates for funding under the Capital Investment Grants program by successfully completing steps in the multi-year process defined in section 5309 and obtaining a satisfactory rating under the statutorily defined criteria. For New Starts and Core Capacity Improvement projects, the steps in the process include project development, engineering, and construction. For Small Starts projects the steps in the process include project development and construction. New Starts and Core Capacity Improvement projects receive construction funds from the program through a full funding grant agreement (FFGA) that defines the scope of the project and specifies the total multi-year Federal commitment to the project. Small Starts projects receive construction funds through a single year grant or an expedited grant agreement that defines the scope of the project and specifies the Federal commitment to the project.

Bundles of CIG projects, comprised of multiple New Starts, Core Capacity, and/or Small Starts projects being pursued by the same project sponsor, are also allowed. Bundles must enhance or increase the capacity of the transportation system and streamline procurements or enable time or cost savings for the projects.

For more information about the Capital Investment Grants program contact Elizabeth Day, Office of Capital Project Development, at (202) 366–5159 or elizabeth.day@dot.gov

For information about published allocations contact Kevin Osborn, Office of Transit Programs, at (202) 366-7519 or Kevin.Osborn@dot.gov

1. Authorized Amounts

The IIJA authorizes \$15 billion to be appropriated over five years for the CIG program and the Expedited Project Delivery Pilot Program (EPD), with an additional \$8 billion in advance appropriations.

Fiscal Year	2022	2023	2024	2025	2026
Funds Authorized to be Appropriated	\$3,000,000,000	\$3,000,000,000	\$3,000,000,000	\$3,000,000,000	\$3,000,000,000
Advance Appropriations	\$1,600,000,000	\$1,600,000,000	\$1,600,000,000	\$1,600,000,000	\$1,600,000,000
Total	\$4,600,000,000	\$4,600,000,000	\$4,600,000,000	\$4,600,000,000	\$4,600,000,000

2. FY 2022 Funding Availability

In addition to the advance appropriations of \$1,600,000,000, \$2,248,000,000 was appropriated in FY 2022, for a total of \$3,848,000,00 for the section 5309 CIG and EPD programs. After the oversight deduction, \$3,809,520,000 is available for eligible projects under the program.

Capital Investment Grant Program – FY 2022	
Total Appropriation	\$3,848,000,000
Oversight Deduction	(38,480,000)
Total Apportioned	\$3,809,520,000

3. Basis for Allocation

Funds are allocated on a discretionary basis and subject to program evaluation.

4. Eligible Expenses

See beginning of section D above.

5. Requirements

Project sponsors should reference the FTA website at www.transit.dot.gov for the most current Capital Investment Grants program policy guidance to learn what is required to enter and advance through the program. Grant-related guidance is found in FTA Circular 9300.1B, *Capital Investment Grant Program Guidance and Application Instructions*, November 1, 2008; and C5200.1A, *Full Funding Grant Agreement*

Guidance, December 5, 2002, which will be updated to incorporate the changes made by the IIJA.

6. Period of Availability

Funding is available for four years, which is the fiscal year in which the amount is made available plus three additional years. Therefore, funds for a project identified in FY 2022 must be obligated for the project by September 30, 2025. Section 5309 funds that remain unobligated after four fiscal years to the projects for which they were originally designated may be made available for other section 5309 projects.

7. What's New and Other Program Highlights

a. New Starts, Small Starts and Core Capacity

The IIJA amended the Capital Investment Grants Program (CIG) by changing the eligibility parameters as described below and eliminating the Program of Interrelated Projects and replacing it with a process for bundling of projects. Under 49 U.S.C. 5309, as amended by the IIJA, New Starts projects are defined as projects with a total capital cost of \$400 million or greater or that are seeking \$150 million or more in section 5309 funding. Previously, these thresholds were \$300 million and \$100 million respectively. Eligible New Starts projects are new fixed-guideway systems, such as rapid rail (heavy rail), commuter rail, light rail, streetcars, trolleybus (using overhead catenary), cable car, passenger ferries, and fixed guideway bus rapid transit, or an extension of any of these systems. Fixed guideway bus rapid transit is defined as operating on an exclusive transit lane for the majority of the corridor length and that also includes features that emulate the services provided by rail fixed guideway including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional service for a substantial part of weekdays and weekends.

Small Starts projects are defined as projects with a total capital cost less than \$400 million and that are seeking less than \$150 million in section 5309 funding. Previously,

these thresholds were \$300 million and \$100 million respectively. Eligible Small Starts projects are those mentioned for the New Starts program, as well as corridor-based bus rapid transit projects that do not operate on a separated fixed guideway but include features that emulate the services provided by rail fixed guideway including defined stations, traffic signal priority for public transit vehicles, and short headway bi-directional services for a substantial part of weekdays.

Core Capacity Improvement projects are defined as substantial, corridor-based investments in existing fixed guideway systems that are at capacity today or will be in ten years. Previously, the timeframe was five years. A Core Capacity Improvement project must increase the capacity of the existing fixed guideway system in the corridor by at least 10 percent. Core Capacity projects cannot include elements designed to maintain a state of good repair. This was not changed from the eligibility under the FAST Act.

The number of steps in the process for projects has not changed. For New Starts and Core Capacity Improvement projects, the steps in the process include project development, engineering, and construction. For Small Starts projects the steps in the process include project development and construction. FTA must evaluate and rate projects seeking section 5309 funding according to statutorily defined criteria at various steps in the process. Bundles of CIG projects, comprised of multiple New Starts, Core Capacity, or Small Starts projects being pursued by the same project sponsor, are now allowed. Bundles must enhance or increase the capacity of the transportation system and streamline procurements or enable time or cost savings for the projects.

FTA has issued and will issue additional guidance regarding implementation of the IIJA amendments to 49 U.S.C. 5309.

b. Expedited Project Delivery for Capital Investment Grants Pilot Program

The IIJA made several modifications to the pilot program. Eligible projects for the pilot program include New Starts, Small Starts, or Core Capacity improvement

projects that have not yet received a full funding grant agreement. However, the definitions of New Starts, Small Starts, and Core Capacity differ slightly from those used in the Capital Investment Grants program.

A New Starts project under the EPD pilot program is defined as a project with a total capital cost of \$400 million or greater or that is seeking \$150 million or more in funding from the pilot program. A Small Starts project under the pilot program is defined as a project with a total capital cost less than \$400 million and that is seeking less than \$150 million in funding from the pilot program. A Core Capacity Improvement project under the pilot program is defined as a substantial, corridor-based capital investment in an existing fixed guideway system that increases the capacity of the corridor by not less than 10 percent, and can include elements designed to maintain a state of good repair.

Up to eight projects may be selected for the pilot program. Projects must be supported at least in part through a public-private partnership but must be operated and maintained by employees of an existing provider of fixed guideway or bus rapid transit services in the area. The maximum Federal funding provided to projects selected for the pilot program is 25 percent.

The IIJA also requires that FTA determine a proposed pilot project is justified based on its mobility improvements, environmental benefits, congestion relief, economic development effects, and estimated ridership and that it is supported by an acceptable degree of local financial commitment. FTA published a Notice of Funding Opportunity in the *Federal Register* that described the process for project sponsors to apply to FTA for consideration as a pilot project. For further information, see 85 FR 45460.

E. Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. 5310)

The Enhanced Mobility of Seniors and Individuals with Disabilities Program provides formula funding apportioned to direct recipients: States for rural (under 50,000)

and small urban areas (50,000-200,000); and designated recipients chosen by the Governor of the State for large urban areas (populations of 200,000 or more); or a State or local governmental entity that operates a public transportation service. The Section 5310 program provides capital and operating assistance for improving the mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options. This program supports transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities in all areas.

This program provides funds to: 1) serve the special needs of transit-dependent populations beyond traditional public transportation service, where public transportation is insufficient, inappropriate, or unavailable; 2) projects that exceed the requirements of the Americans with Disabilities Act (ADA); 3) projects that improve access to fixed-route service and decrease reliance on complementary paratransit; and 4) projects that are alternatives to public transportation.

For more information about the Section 5310 program, contact Destiny Buchanan, Office of Transit Programs, at (202) 493–8018 or Destiny.Buchanan@dot.gov

1. Authorized Amounts

The IIJA authorizes \$1,943,105,343 to be appropriated over five years for the Enhanced Mobility of Seniors and Individuals with Disabilities formula program, with an additional \$250 million provided in advance appropriations. This amount does not include funding for the Innovative Coordinated Access and Mobility Pilot Program.

Fiscal Year	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
5310 Formula Grants	\$421,247,094	\$429,002,836	\$438,899,052	\$446,932,778	\$457,023,583

2. FY 2022 Funding Availability

In FY 2022, \$421,247,094 is appropriated for the program. A total of \$422,037,792 is available for allocation after the oversight and administrative deduction, transfer to the US DOT Office of Inspector General, and addition of reapportioned funds as shown in the table below.

Section 5310 Formula Program – FY 2022	
Total Appropriation	\$421,247,094
Oversight and Administrative	(\$2,851,235)
Transfer to OIG	(\$5,000)
Reapportioned Funds	\$3,646,933
Total Apportioned	\$422,037,792

3. Basis for Formula Apportionment

Sixty percent of the funds are apportioned among designated recipients for urbanized areas with a population of 200,000 or more individuals. Twenty percent of the funds are apportioned among the States for their urbanized areas with a population of at least 50,000 but less than 200,000. Twenty percent of the funds are apportioned among the States for rural areas with a population of less than 50,000. Census Data on Older Adults and People with Disabilities is used for the Section 5310 Enhanced Mobility of Older Adults and People with Disabilities Apportionments. To view the Section 5310 table which displays the amounts apportioned under the Enhanced Mobility of Seniors and Individuals with Disabilities Program click here:

<https://www.transit.dot.gov/funding/apportionments>.

Under the Section 5310 formula, funds are allocated using Census data on seniors (i.e., persons 65 and older) and people with disabilities. However, beginning in 2010, the Census Bureau stopped collecting this demographic information as part of its decennial census. Data on seniors and people with disabilities is now only available from the American Community Survey (ACS), which is conducted and published on a rolling

basis. FTA's FY 2022 Section 5310 apportionments incorporate ACS data published in December 2020. Data on seniors comes from the ACS 2015 - 2019 five-year data set, Table B01001, "Sex by Age." Data on persons with disabilities comes from the ACS 2015 - 2019 five-year data set, Table S.1810, "Disability Characteristics."

4. Eligible Expenses

Section 5310 funds are available for capital and operating expenses to support the provision of transportation services to meet the specific needs of seniors and individuals with disabilities. Of the amounts apportioned to states and designated recipients, not less than 55 percent of funds must be used for "traditional" Section 5310 projects—those public transportation capital projects planned, designed, and carried out to meet the specific needs of seniors and individuals with disabilities when public transportation is insufficient, unavailable, or inappropriate. This includes capital equipment such as buses and vans; wheelchair lifts, ramps, and securement devices; transit-related information technology systems including scheduling/routing/one-call systems; and mobility management programs. The acquisition of transportation services under a contract, lease, or other arrangement is also eligible. Both capital and operating costs associated with contracted service are eligible capital expenses. The capital eligibility of acquisition of services is limited to the Section 5310 program.

5. Requirements

Up to 45 percent of an area's apportionment may be used for additional public transportation projects that: exceed the Americans with Disabilities Act minimum requirements; improve access to fixed-route service and decrease reliance by individuals with disabilities on ADA-complementary paratransit service; or provide alternatives to public transportation that assist seniors and individuals with disabilities with transportation. This includes projects eligible under the former New Freedom program.

a. Eligible Recipients

Eligible direct recipients include States for rural and small urban areas and designated recipients chosen by the Governor of the State for large urban areas. Federally recognized Indian tribes and State or local governmental entities that operate a public transportation service are also eligible direct recipients. For urbanized areas less than 200,000 in population and in the rural areas, the State is the designated recipient for section 5310. Section 5310 designated recipients remain in effect until changed by the Governor of a State by officially notifying the appropriate FTA regional administrator of re-designation.

In urbanized areas over 200,000 in population, the recipient charged with administering the Section 5310 Program must be officially designated in accordance with the planning process, by the Governor of a State, responsible local officials, and publicly owned operators of public transportation prior to grant award (See definition of designated recipient, 49 U.S.C. 5302(5)). Designated recipients are responsible for administering the program. Responsibilities include: notifying eligible local entities of funding availability; developing project selection processes; determining project eligibility; developing the program of projects; and ensuring that all subrecipients comply with Federal requirements.

Although FTA will only award grants to the eligible recipients for the program, there are other entities eligible to receive funding as subrecipients. These include private nonprofit organizations, and state or local governmental authorities approved by a state to coordinate services for seniors and people with disabilities, or state or local governmental authorities which certify to the Governor that no nonprofit organizations or associations are readily available in an area to provide the service.

b. Local Match

The matching requirements for this program remain the same; capital assistance is provided on an 80 percent Federal share, 20 percent local share. Operating assistance

requires a 50 percent local share. Funds provided under other Federal programs (other than those of the U.S. DOT, with the exception of the Federal Lands Transportation Program and Tribal Transportation Program established by sections 202 and 203 of title 23, U.S.C.) may be used for local match for funds provided under Section 5310, and revenue from service contracts may be used as local match.

c. Planning and Consultation

The coordinated planning provision requires that all projects be included in the local coordinated human service-public transportation plan.

FTA requires the following elements, at a minimum, be included in the plans:

- i. An assessment of available services that identifies current transportation providers (public, private, and nonprofit);
- ii. An assessment of transportation needs for individuals with disabilities and seniors;
- iii. Strategies, activities, and/or projects to address the identified gaps between current services and needs, as well as opportunities to achieve efficiencies in service delivery; and,
- iv. Priorities for implementation based on resources (from multiple program sources), time, and feasibility for implementing specific strategies and/or activities identified.

Additionally, the plan must be developed and adopted with representation from seniors, individuals with disabilities, representatives of public, private, nonprofit transportation and human services providers, and other members of the public. Recipients must certify that projects were selected from this process and must make reference to the plan in the program of projects, which is described below.

d. State and Project Management Plans

FTA will continue to require States, designated recipients, and State or local governmental entities that operate a public transportation service who are responsible for implementing the Section 5310 program to document their approach to managing the program. The primary purposes of State or Program Management Plans are to serve as the basis for FTA management reviews of the program, and to provide public information on the administration of the programs.

e. Program of Projects (POP)

Designated recipients are required to develop a Program of Projects (POP) with the grant application and submit it to the FTA Regional Office. The POP should be developed with respect to the coordinated plan, long range plan, and the transportation improvement plan.

For additional guidance in developing the required POP, recipients can use Chapter IV of the FTA Circular 9070.1G, *Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions*, dated July 7, 2014.

6. Period of Availability

For Enhanced Mobility of Seniors and Individuals with Disabilities Program funds apportioned under this notice, FTA has administratively set the period of availability to the year of apportionment plus two years. Accordingly, funds apportioned in FY 2022 must be obligated in grants by September 30, 2024. Any FY 2022 apportioned funds that remain unobligated at the close of business on September 30, 2024, will revert to FTA for reapportionment among the States and urbanized areas.

7. What's New and Other Program Highlights

The IIJA continues the Section 5310 program without change. Recipients may continue to use a competitive selection process to select projects, but it is not required. A State may transfer apportioned funds between small urbanized areas and rural areas if it can certify that the needs are being met in the area to which the funds were originally

apportioned. The State can transfer the funds (rural and small urbanized area) to any area within the state if a statewide program for Section 5310 is established. There are no administrative or statutory provisions to permit transferring Section 5310 funds to other FTA programs nor is there a provision for large urbanized areas to transfer their funds to the State.

Section 5310 program recipients may continue to partner with meal delivery programs such as the OAA-funded meal programs (to find local programs, visit: www.Eldercare.gov) and the USDA Summer Food Service Program <http://www.fns.usda.gov/sfsp/summer-food-service-program-sfsp>. Transit service providers receiving Section 5310 funds may coordinate and assist in providing meal delivery services on a regular basis as long as this does not conflict with the provision of transit services.

Program Guidance is found in FTA Circular 9070.1G, *Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions*, dated July 7, 2014.

The Innovative Coordinated Access and Mobility Pilot program created through Section 3006(b) of the Fixing America's Surface Transportation (FAST) Act, is continued through IIJA.

F. Formula Grants for Rural Areas Program (49 U.S.C. 5311)

The Rural Areas program provides formula funding to States and Indian tribes for the purpose of supporting public transportation in areas with a population of less than 50,000. Funding may be used for capital, operating, planning, job access and reverse commute projects, and State administration expenses. Eligible subrecipients include State and local governmental authorities, Indian Tribes, private non-profit organizations, and private operators of public transportation services, including intercity bus companies. Indian Tribes are also eligible direct recipients under Section 5311, both for funds

apportioned to the States and for projects apportioned or selected to be funded with funds set aside for a separate Tribal Transit Program.

For more information about the Formula Grants for Rural Areas program, contact Elan Flippin, Office of Transit Programs, at (202) 366-3800 or elan.flippin@dot.gov

1. Authorized Amounts

The IIJA authorizes \$4.1 billion over five years to provide financial assistance for rural areas under section 5311(c)(3). The Section 5311 program includes three other programs: the Rural Transit Assistance Program (RTAP); the Appalachian Development Public Transportation Assistance Program; and the Tribal Transit Program. These separate programs are described in the sections that follow.

Fiscal Year	2022	2023	2024	2025	2026
Funds Authorized	\$785,148,545	\$801,551,125	\$822,480,580	\$839,471,067	\$860,812,057

In addition to the funds made available to States under Section 5311, approximately 14 percent of the funds authorized for the Section 5340 Growing States formula factors will be apportioned to States for use in rural areas.

2. FY 2022 Funding Availability

In FY 2022, a total of \$785,148,545 is authorized and appropriated for the section 5311 program for the period October 1, 2021, through September 30, 2022. The total amount apportioned is \$893,663,711 to Section 5311 programs and includes the amount for Growing States formula factors, reapportioned funds, and deduction for oversight (required by section 5338), as shown in the table below.

Formula Grants for Rural Areas Program – FY 2022	
Total Appropriation	\$785,148,545
Oversight Deductions	(\$4,376,448)
Section 5340 Growing States	\$112,286,712

Reapportioned Funds	\$604,902
Total Apportioned	\$893,663,711

3. Basis for Formula Apportionment

The IIJA made no changes to the formula for the Rural Areas Program. FTA apportions Section 5311 funds to the states by a statutory formula using the latest available U.S. decennial census data. The majority of rural formula funds (83.15 percent) are apportioned based on land area and population factors. In this first tier, no state may receive more than 5 percent of the amount apportioned on the basis of land area. The remaining rural formula funds (16.85 percent) are apportioned based on land area, vehicle revenue miles, and low-income individual factors. In this second tier, no state may receive more than 5 percent of the amount apportioned on the basis of land area, or more than 5 percent of the amounts apportioned for vehicle revenue miles. In addition to funds made available under Section 5311, FTA adds amounts apportioned based on rural population according to the growing states formula factors of 49 U.S.C. 5340 to the amounts apportioned to the states under the Section 5311 formula. Before FTA apportions Section 5311 funds to the states, FTA subtracts funding from the total available amounts for the Appalachian Development Transportation Assistance Program, the Tribal Transit Program, the Rural Transportation Assistance Program (RTAP), and FTA oversight activities.

Data from the Rural Module of the National Transit Database (NTD) was used for this apportionment, including data from directly reporting Indian tribes. Data from public transportation systems that reported to the Annual (Urbanized Area) Module, and that was not attributable to an urbanized area, was also included.

4. Eligible Expenses

The Section 5311 program provides funding for capital, operating, planning, job access and reverse commute projects, and administration expenses for public transit service in rural areas under 50,000 in population. The planning activities undertaken with Section 5311 funds are in addition to those awarded to the State under Section 5305 and must be used specifically for rural areas' needs.

a. Intercity Bus Transportation

Each State must continue to spend no less than 15 percent of its annual Rural Areas Formula apportionment for the development and support of intercity bus transportation, unless it can certify, after consultation with affected intercity bus service providers, that the intercity bus service needs of the State are adequately being met. FTA continues to encourage consultation with other stakeholders, such as communities affected by loss of intercity service. The intercity bus service match requirement in 49 U.S.C. 5311(g)(3) allows the cost of an unsubsidized portion of privately provided intercity bus service that connects feeder service, including all operating and capital costs of such service whether or not offset by revenue from such service, to be used as in-kind local match for the intercity bus projects.

b. State Administration

The IIJA did not change the amount available to States for administration, planning, and technical assistance. States may elect to use up to 10 percent of their apportionment at 100 percent Federal share to administer the Section 5311 program and provide technical assistance to subrecipients. Technical assistance includes project planning, program and management development, public transportation coordination activities, and research the State considers appropriate to promote effective delivery of public transportation to rural areas.

c. Eligibility for Safety Certification Training

Recipients of Section 5311 funds are permitted to use not more than 0.5 percent of their formula funds under the Rural Areas program to pay not more than 80 percent of the cost of participation for an employee who is directly responsible for safety oversight to participate in public transportation safety certification training. Safety certification training program requirements are established in accordance with Section 5329.

5. Requirements

The program requirements under this section are generally unchanged, with the exception of the cross-cutting requirements mentioned in section III.D. of this notice and specific subsections outlined below.

The Federal share for capital assistance is 80 percent and for operating assistance is 50 percent, except that States eligible for the sliding scale match under FHWA programs may use that match ratio for Section 5311 capital projects and 62.5 percent of the sliding scale capital match ratio for operating projects. This is not changed under the current authorization.

Each State prepares an annual program of projects, which must provide for fair and equitable distribution of funds within the States, including Indian reservations, and must provide for maximum feasible coordination with transportation services assisted by other Federal sources.

Additional program guidance for the Rural Areas Program is found in FTA Circular 9040.1G, *Formula Grants for Rural Areas: Program Guidance and Application Instructions*, dated October 24, 2014, and is supplemented by additional information and changes provided in this notice and that may be posted to FTA's Section 5311 web page. FTA is in the process of updating the program circular to incorporate changes resulting from IIJA amendments to 49 U.S.C. 5311.

The following subsections outline several important program requirements that apply specifically to the section 5311 program.

6. Period of Availability

Section 5311 funds remain available to states for obligation for three Federal fiscal years, beginning with the year of apportionment plus two additional years. The Rural Areas program funds apportioned in this notice are available for obligation during FY 2022 plus two additional years. Any FY 2022 apportioned funds that remain unobligated at the close of business on September 30, 2024, will revert to FTA for reapportionment under the Rural Areas program.

7. What's New and Other Program Highlights

The IIJA did not modify the rural formula program.

G. Rural Transportation Assistance Program (49 U.S.C. 5311(b)(3))

This program is not changed in the IIJA and continues to provide funding to assist in the design and implementation of training and technical assistance projects, research, and other support services tailored to meet the needs of transit operators in rural areas. For more information about Rural Transportation Assistance Program (RTAP) contact *Elan Flippin, Office of Transit Programs, at (202) 366-3800 or elan.flippin@dot.gov*

1. Authorized Amounts

The IIJA authorizes a two percent takedown from the funds appropriated for section 5311 for RTAP. Of this amount, 15 percent is reserved for the National RTAP program. The remainder is available for allocation to the States.

The IIJA authorizes \$105 million over five years to carry out this program.

Fiscal Year	2022	2023	2024	2025	2026
Funds Authorized	\$20,117,845	\$20,538,128	\$21,074,403	\$21,509,749	\$22,056,569

2.FY 2022 Funding Availability

In FY 2022, \$20,117,845 is authorized and appropriated for the Section 5311 RTAP program. After the reduction to the National RTAP program, and the addition of

reapportioned funds a total of \$17,563,773 is available for allocation to the States, as shown in the table below.

Rural Transportation Assistance Program – FY 2022	
Total Appropriation	\$20,117,845
National RTAP	(\$2,625,869)
Reapportioned Funds	\$71,797
Total Apportioned	\$17,563,773

Table 12 shows the FY 2022 RTAP allocations to the States.

3. Basis for Formula Apportionment

FTA will continue to allocate funds to the States by an administrative formula. First, FTA allocates \$65,000 to each State (\$10,000 to territories), and then allocates the balance based on rural population in the 2010 census.

4. Eligible Expenses

Eligible expenses include the design and implementation of training and technical assistance projects, research, and other support services tailored to meet the needs of transit operators in rural areas.

5. Requirements

States may use the funds to undertake research, training, technical assistance, and other support services to meet the needs of transit operators in rural areas. These funds are to be used in conjunction with a State's administration of the Rural Areas Formula Program, but also may support the rural components of the Section 5310 program.

6. Period of Availability

The Section 5311 RTAP funds apportioned in this notice are available for obligation in FY 2022 plus two additional years, consistent with that established for the Section 5311 program.

7. What's New and Other Program Highlights

The National RTAP project is administered by cooperative agreement and re-competed at five-year intervals. In 2019, FTA awarded a cooperative agreement to Neponset Valley Transportation Management Association to administer the National RTAP Program. The National RTAP projects are guided by a project review board that consists of managers of rural transit systems and State DOT RTAP programs. National RTAP resources also support the biennial TRB National Conference on Rural Public and Intercity Bus Transportation and other research and technical assistance projects of a national scope.

H. Appalachian Development Public Transportation Assistance Program

(49 U.S.C. 5311(c)(2))

This program continues as a take-down under the section 5311 program to provide additional funding to support public transportation in the Appalachian region. There are sixteen eligible States that receive an allocation under this provision. The States and their allocation are shown in the Rural Areas Formula program table posted on FTA's website under the FY 2022 Apportionments page.

For more information about the Appalachian Development Public Transportation Assistance Program, contact Elan Flippin, Office of Transit Programs, at (202) 366-3800 or elan.flippin@dot.gov

1. Authorized Amounts

The IIJA authorizes a take-down of three percent of Section 5311 funding for the Appalachian Development Public Transportation Assistance Program. A total of \$137.4 million is authorized over five years as shown on the following table to support public transportation in the Appalachian region.

Fiscal Year	2022	2023	2024	2025	2026
Funds Authorized	\$26,258,687	\$26,807,258	\$27,507,228	\$28,075,461	\$28,789,194

2. FY 2022 Funding Availability

A total of \$26,258,687 is authorized and appropriated for the Appalachian Development program for FY 2022, as shown below.

Appalachian Development Public Transportation Assistance Program – FY 2022	
Total Appropriation	\$26,258,687
Total Apportioned	\$26,258,687

3. Basis for Formula Apportionment

FTA apportions the funds using percentages established under section 9.5(b) of the Appalachian Regional Commission Code (subtitle IV of Title 40 U.S.C.). Allocations are based in general on each State's remaining estimated need to complete eligible sections of the Appalachian Development Highway System as determined from the latest percentages of available cost estimates for completion of the System. Such cost estimates are produced at approximate five-year intervals. Allocations contain upper and lower limits in amounts determined by the Commission and are made in accordance with legislative instructions.

4. Requirements

Funds apportioned under this program can be used for purposes consistent with Section 5311 to support public transportation in the Appalachian region. Funds can be applied for in the State's annual Section 5311 grant.

Appalachian program funds that cannot be used for operating may be used for a highway project under certain circumstances. States should contact their regional office if they intend to request a transfer. Additional information about the requirements for this section can be found in Chapter VII of FTA Circular 9040.1G, *Formula Grants for Rural Areas: Program Guidance and Application Instructions*, dated October 24, 2014.

5. Period of Availability

Section 5311 Appalachian program funds are available for three years, which includes the year of apportionment plus two additional years, consistent with that established for the Section 5311 program.

6. What's New and Other Program Highlights

The IIJA Establishes fixed funding percentages for the Appalachian Development Public Transportation Assistance programs, providing three percent of Section 5311 funding each year.

I. Formula Grants for Public Transportation on Indian Reservations Program (49 U.S.C. 5311(c)(1))

The Public Transportation on Indian Reservations Program or Tribal Transit Program (TTP) is continued as a takedown from the Section 5311 program. Over the five-year period from FY 2022 through FY 2026, the program is authorized at a total of \$229 million, of which \$183 million is for a formula program and \$45.8 million is for a discretionary grant program. More information on the discretionary program can be found in section III.6 of this notice. Eligible direct recipients are federally recognized Indian tribes and Alaskan Native Villages providing public transportation in rural areas. The TTP funds are to be allocated for grants to eligible recipients for any purpose eligible under Section 5311, which includes capital, operating, planning, and job access and reverse commute projects.

For more information about the Tribal Transit Program contact Matthew Lange, Office of Transit Programs at (312) 353-4118 or TribalTransit@dot.gov

1. Authorized Funding

Over the five-year period from FY 2022 through FY 2026, the program is authorized at a total of \$229 million, of which \$183 million is for a formula program and \$45.8 million is for a discretionary grant program.

Fiscal Year	2022	2023	2024	2025	2026
Formula Funds Authorized	\$35,011,582	\$35,743,011	\$36,676,304	\$37,433,948	\$38,385,592
Discretionary Funds Authorized	\$8,752,896	\$8,935,753	\$9,169,076	\$9,358,487	\$9,596,398
Total	\$43,764,478	\$44,678,764	\$45,845,380	\$46,792,435	\$47,981,990

2. FY 2022 Funding Availability

In FY 2022, \$35,011,582 is authorized and appropriated for the formula program as shown in the table below. After the addition of reapportioned funds, a total of \$35,823,941 is available to be apportioned.

Formula Grants for Public Transportation on Indian Reservations Program – FY 2022	
Total Appropriation	\$35,011,582
Reapportioned Funds	\$812,359
Total Apportioned	\$35,823,941

3. Basis for Formula Apportionment

Funding is allocated by formula and distributed to eligible Indian tribes providing public transportation on tribal lands. The formula apportionment shown in Table 9 is based on a statutory formula which includes three tiers. Tiers 1 and 2 are based on data reported to NTD by Indian tribes; Tier 3 is based on 2009–2013 American Community Survey data. The three tiers for the formula are: Tier 1—50 percent based on vehicle revenue miles reported to the NTD; Tier 2—25 percent provided in equal shares to Indian tribes reporting at least 200,000 vehicle revenue miles to the NTD; Tier 3—25 percent based on Indian tribes providing public transportation on tribal lands (American Indian Areas, Alaska Native Areas, and Hawaiian Home Lands) on which more than 1,000 low income individuals reside. If more than one tribe provides public transportation services on tribal lands in a single Tribal Statistical area, and the tribes cannot determine how to allocate Tier 3 funds, FTA will allocate the funds based on the relative portion of transit

(as defined by unlinked passenger trips) operated by each tribe, as reported to the National Transit Database.

4. Requirements

Formula funds apportioned under this program can be used for purposes consistent with Section 5311 to support public transportation on Indian Reservations in rural areas. Funds allocated under the competitive program must be used consistent with the tribe's proposal and the allocation notice published in the *Federal Register*, which is used to announce the selected projects. Eligible recipients under both the competitive and formula program include federally recognized Indian tribes or Alaska Native villages, groups, or communities as identified by the U.S. Department of the Interior Bureau of Indian Affairs (BIA). A tribe must have the legal, financial and technical capabilities to receive and administer Federal funds.

Section 5335 requires NTD reporting for all direct recipients and beneficiaries of Section 5311 funds. This reporting requirement has and continues to apply to the Tribal Transit Program. Tribes that provide public transportation in rural areas are reminded to report annually so they are included in the TTP formula apportionments. Tribes needing assistance with reporting to the NTD should contact the NTD Helpdesk: NTDHelp@dot.gov or the Appian NTD Reporting Application Support line: (877) 561-7466.

5. Period of Availability

Funding for the TTP is available for three years, which includes the year of apportionment or allocation plus two additional years, consistent with that established for the section 5311 program. Any FY 2022 formula funds that remain unobligated at the close of business on September 30, 2024, will revert to FTA for reapportionment under the TTP.

6. What's New and Other Program Highlights

The IIJA establishes fixed funding percentages for the Public Transportation on Indian Reservations program. Five percent of Rural Formula (Section 5311) funding is available for the Public Transportation on Indian Reservations program. Twenty percent of the Public Transportation on Indian Reservations funds must be distributed on a competitive basis, while the remainder must be apportioned by formula.

The funds set aside for the TTP are not meant to replace or reduce funds that Indian tribes receive from States through the Section 5311 program but are to be used to enhance public transportation on Indian reservations and transit serving tribal communities. Funds allocated to Indian tribes by the States may be included in the State's Section 5311 application or awarded by FTA in a grant directly to the Indian tribe. FTA encourages Indian tribes intending to apply to FTA as direct recipients to contact the appropriate FTA Regional Office at the earliest opportunity.

TTP recipients must comply with all applicable Federal statutes, regulations, executive orders, FTA circulars, and other Federal requirements in carrying out the project supported by the FTA grant. To assist tribes with understanding these requirements, FTA regularly conducts Tribal Transit Technical Assistance Workshops, and expects to offer several workshops in FY 2022. FTA has also implemented the Tribal Transit Technical Assistance Assessments initiative. Through these assessments, FTA collaborates with tribal transit leaders to review processes and identify areas in need of improvement and then assist with solutions to address these needs – all in a supportive and mutually beneficial manner. These assessments include discussions of compliance areas pursuant to the Master Agreement, a site visit, promising practices reviews, and technical assistance from FTA and its contractors. These workshops and assessments received exemplary feedback from Tribal Transit Leaders and provided FTA with invaluable opportunities to learn more about tribal transit leaders' perspectives and honor

the sovereignty of tribal nations. FTA will post information about upcoming workshops to its website and will disseminate information about the reviews through its Regional Offices. FTA has regional tribal transit liaisons in each of the FTA Regional Offices that are available to assist tribes with applying for and managing FTA grants. A list of regional tribal transit liaisons can be found on FTA's website at <https://www.transit.dot.gov/funding/tribal-entities>. Tribes are encouraged to work directly with their regional tribal transit liaison.

The Tribal Transportation Self Governance Program (TTSGP) was authorized by the FAST Act and is codified at 23 U.S.C. 207. The TTSGP final rule became effective on October 1, 2020 (85 FR 33494). Grant funding made available through the FTA formula or competitive TTP may be included in a Tribal Transportation Self-Governance funding agreement if there is an existing Self-Governance compact in place between the Tribe and the Department of Transportation. If funds are transferred to a Tribal Self-Governance funding agreement, the funds will be subject to the requirements and provisions of the Tribal Transportation Self-Governance Program regulation at 49 CFR part 29 and may be used only for the purpose for which they were awarded.

For more information about the Tribal Transit Program, please contact Matthew Lange at TribalTransit@dot.gov or 312-353-4118.

J. Public Transportation Innovation (49 U.S.C. 5312)

FTA's innovative research program includes three distinct programs: (a) a Research, Development, Demonstration, Deployment, & Evaluation program (49 U.S.C. 5312(b-e)); (b) a Low or No Emission Vehicle Component Assessment Program (Lo-No CAP) (49 U.S.C. 5312(h)); and (c) a Transit Cooperative Research Program (TCRP) (49 U.S.C. 5312(i)).

For more information about the Public Transportation Innovation program, contact Mary Leary, Office of Research, Demonstration and Innovation at (202) 366–4052 or mary.leary@dot.gov.

1. Authorized Funding

The IIJA authorizes \$192.8 million over five years as follows:

Fiscal Year	2022	2023	2024	2025	2026
Research, Development,	\$25,261,523	\$25,789,262	\$26,462,651	\$27,009,306	\$27,695,935
Low-No Component Testing	\$5,000,000	\$5,104,455	\$5,237,739	\$5,345,938	\$5,481,842
Transit Cooperative Research Program	\$6,578,592	\$6,716,026	\$6,891,389	\$7,033,749	\$7,212,560
Total	\$36,840,115	\$37,609,743	\$38,591,779	\$39,388,993	\$40,390,337

2. FY 2022 Funding Availability

In FY 2022, \$36,840,115 is authorized for the Public Transportation Innovation program. With the addition of \$12 million in Transit Infrastructure Grants, a total of \$48,840,115 is available in FY 2022.

Public Transportation Innovation – FY 2022	
Research, Development, Demonstration, Deployment, & Evaluation	\$37,261,523
Low or No Emission Vehicle Component Testing	\$5,000,000
Transit Cooperative Research Program (TCRP)	\$6,578,592
Total Apportioned	\$48,840,115

3. Basis for Allocation of Funds

Section 5312 funds are allocated according to the authorized purposes and amounts described above, and then remaining amounts are subject to discretionary

allocations where not specifically authorized. For FY 2022, FTA intends to fund projects and activities in support of the FTA FY 2022 action plan in five major areas: Safety, climate and resiliency, equity, economic strength, and transformation. The Consolidated Appropriations Act, 2022, (Pub. L. 117-103) included \$12 million in Transit Infrastructure Grants, including: \$1 million for demonstration and deployment for innovation mobility solutions; \$1 million for the accelerating innovative mobility initiative; and \$10 million for technical assistance, research, demonstration, or deployment activities or projects to accelerate the adoption of zero emissions buses. Projects may be selected through competitive Notices of Funding Opportunity (NOFO), noncompetitive awards, and partnerships with other Federal entities through interagency agreements. Potential recipients can register to receive information on NOFOs that are released under this program on Grants.gov.

4. Eligible Expenses

Eligible expenses include activities involving: research; innovation and development; demonstration, deployment, and evaluation; accelerated implementation and deployment of advanced digital construction management systems; evaluation; low or no emission vehicle component testing and research; and the Transit Cooperative Research Program.

5. Requirements

The Government share of the cost of a project carried out under this section shall not exceed 80 percent, except if there is substantial public interest or benefit, FTA may approve a greater Federal share. The non-Government share of the cost of a project carried out under this section may be derived from in-kind contributions. If FTA determines that there would be a clear and direct financial benefit to an entity under a grant, contract, cooperative agreement, or other agreement under this section, FTA shall establish a Government share of the costs of the project to be carried out under the grant,

contract, cooperative agreement, or other agreement that is consistent with the benefit. However, for the Lo-No Component Testing Program, the Government share is 50 percent; the remaining 50 percent of the costs will be paid by amounts recovered through the fees established by the testing facilities. There is no match requirement for the TCRP.

Application instructions and program management guidelines are set forth in FTA Circular C 6100.1E, Technology Development and Deployment, “Research, Technical Assistance and Training Program: Application Instructions and Program Management Guidelines” dated April 10, 2015. All research recipients are required to work with FTA to develop approved Statements of Work. FTA will be updating the Circular for the Research program.

6. Period of Availability

FTA establishes the period in which the funds must be obligated to the project. If the funds are not obligated within that period of time, they revert to FTA for reallocation under the program.

7. What’s New and Other Program Highlights

The IIJA amends 49 U.S.C. 5312 to create an accelerated implementation and deployment of advanced digital construction management systems research program to promote, implement, deploy, demonstrate, showcase, support, and document the application of advanced digital construction management systems, practices, performance, and benefits.

Also amended is the Low or No Emission Vehicle Component Assessment Program (Lo-No CAP). This program is expanded to allow the competitively selected center(s) to conduct directed technology research and to conduct testing, evaluation, and analysis of low or no emission vehicle components, and new and emerging technology components, intended for use in low or no emission vehicles. LONO-CAP funds may be

used to purchase capital equipment and capital projects related to testing low or no emission vehicle components; or research related to advanced vehicle technologies that provide advancements to the entire public transportation industry.

Pursuant to the Small Business Innovation Development Act, a portion of the Section 5312 funds must be set aside for the Department's Small Business Innovation Research program to address high priority research that will demonstrate innovative, economic, accurate, and durable technologies, devices, applications, or solutions to significantly improve current transit-related service including transit vehicle operation, safety, infrastructure and environmental sustainability, mobility, rider experience, or broadband communication.

K. Technical Assistance and Workforce Development (49 U.S.C. 5314)

The Technical Assistance and Workforce Development program, 49 U.S.C. 5314, provides assistance to: 1) carry out technical assistance activities that enable more effective and efficient delivery of transportation services, foster compliance with Federal laws, and improve public transportation service; 2) develop standards and best practices for the transit industry; and 3) address public transportation workforce needs through research, outreach, training and the implementation of a frontline workforce grant program, and conduct training and educational programs in support of the public transportation industry.

For more information about the Technical Assistance and Workforce Development program, contact Betty Jackson, Office of Research, Demonstration and Innovation at (202) 366-4052 or Betty.Jackson@dot.gov

1. Authorized Amounts

The IIJA authorizes \$61.98 million over five years for technical assistance. Of this amount, \$34.4 million is authorized for the National Transit Institute under section 5314(c);

Fiscal Year	2022	2023	2024	2025	2026
Technical Assistance, Standards Development & Human Resource Training	\$5,262,873	\$5,372,820	\$5,513,111	\$5,626,999	\$5,770,048
National Transit Institute	\$6,578,592	\$6,716,026	\$6,891,389	\$7,033,749	\$7,212,560
Total	\$11,841,465	\$12,088,846	\$12,404,500	\$12,660,748	\$12,982,608

2. FY 2022 Funding Availability

In FY 2022, a total of \$11,841,465, is authorized for the Technical Assistance and Workforce Development program for the period October 1, 2021, through September 30, 2022. With the addition of \$7.5 million from the General Fund, a total of \$19,341,465 was appropriated for FY 2022 as shown in the table below.

Technical Assistance and Workforce Development-FY 2022	
Technical Assistance, Standards Development & Human Resource Training	\$12,762,873
National Transit Institute	\$6,578,592
Total Appropriated	\$19,341,465

3. Basis for Allocation of Funds

Under the authorized level of section 5314, \$6.6 million is available for the National Transit Institute (NTI) in FY 2022. The remaining \$12.76 million of appropriated funds will be allocated in support of both FTA and USDOT strategic goals for technical assistance, standards development, and workforce development. Projects may be selected through Notices of Funding Opportunity (NOFO) or sole source cooperative agreements. Potential recipients can register to receive notification of NOFOs under this program on Grants.gov.

Once selected, FTA enters into cooperative agreements, contracts, or other agreements to award funds and manage the projects carried out under this section.

4. Eligible Expenses

Eligible expenses include activities involving (a) technical assistance; (b) standards development; and (c) human resources and training, which includes workforce development programs and activities.

Eligible technical assistance activities may include activities to support: (a) compliance with the Americans with Disabilities Act (ADA); (b) compliance with coordinating planning and human services transportation; (c) meeting the transportation needs of elderly individuals; (d) increasing transit ridership in coordination with MPOs and other entities, particularly around transit-oriented development; (e) addressing transportation equity with regard to the effect that transportation planning, investment, and operations have for low-income and minority individuals; (f) facilitating best practices to promote bus driver safety; (g) compliance with Buy America and pre- and post-award audits; (h) assisting with the development and deployment of low and no emission vehicles or components for vehicles; (i) and other technical assistance activities that are necessary to advance the interests of public transportation.

Eligible standards activities include the development of voluntary and consensus-based standards and best practices by the industry to include those needed for safety, fare collection, intelligent transportation systems, accessibility, procurement, security, asset management, operations, maintenance, vehicle propulsion, communications, and vehicle electronics.

Eligible human resources and training activities include (a) employment training programs; (b) outreach programs to increase employment for veterans, females, individuals with disabilities, and minorities in public transportation activities; (c) research on public transportation personnel and training needs; (d) training and assistance for veteran and minority business opportunities; and (e) consensus-based national training standards and certifications in partnership with industry stakeholders. FTA funding

directly allocated for these eligible purposes must be done through a competitive frontline workforce development program as required in the authorization. Should FTA allocate funds for these purposes, it will advertise the available funding in a Notice of Funding Opportunity (NOFO) on Grants.gov and on its website. FTA will be issuing additional guidance in the coming months on how recipients can utilize their formula funds in support of these eligible activities.

5. Requirements

a. Federal Share

The Government's share of the cost of a project carried out using a grant under this section shall not exceed 80 percent. However, for the human resources and training, including the Innovative Public Transportation Frontline Workforce Development Program, the Government's share cannot exceed 50 percent. The Federal share for other types of awards will be stated in the agreement. In some cases, FTA may require a higher non-Federal share if FTA determines a recipient would obtain a clear and direct financial benefit from the project, or if the non-Federal share is an evaluation factor under a competitive selection process. There is no match requirement for the National Transit Institute.

b. Non-Government Share

The non-Government share of the cost of a project carried out under these sections (Technical Assistance and Standards and Technical Assistance and Training) may be derived from in-kind contributions as defined in the most current version of FTA Circular 5010, *Grants Management Guidelines* found on FTA's Circular Web page at (<https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/final-circulars>). Application instructions and program management guidelines are set forth in FTA Circular 6100.1E, *Research, Technical Assistance and Training Program: Application Instructions and*

Program Management Guidelines dated April 10, 2015. All research recipients are required to work with FTA to develop approved Statements of Work.

6. Period of Availability

FTA establishes the period in which the funds must be obligated to the project. If the funds are not obligated within that period of time, they revert to FTA for reallocation under the program.

7. What's New and Other Program Highlights

Under 49 U.S.C. 5314(b)(4), recipients may use no more than one-half of one percent (0.5 percent) of their section 5307, 5337 and 5339 funds to support workforce development activities. In addition, 49 U.S.C. 5314(c)(4) allows recipients to use no more than one-half of one percent (0.5 percent) of their 5307, 5337, and 5339 funds to attend NTI training. Both provisions allow recipients to use these funds to pay up to 80 percent of the cost of training.

For more information about the NTI, contact Lisa Colbert, at the FTA Office of Research, Demonstration, and Innovation (TRI): Lisa.colbert@dot.gov or call 202-366-9261.

L. Public Transportation Emergency Relief Program (49 U.S.C. 5324)

FTA's Emergency Relief (ER) Program is authorized to provide funding for public transportation expenses incurred as a result of an emergency or major disaster. No funding was provided in the Consolidated Appropriations Act, 2022, for this program.

In the event of a publicly declared emergency or disaster, eligible expenses will include emergency operating expenses, such as evacuations, rescue operations, and expenses incurred to protect assets in advance of a disaster, as well as capital projects to protect, repair, reconstruct, or replace equipment and facilities of a public transportation system in the United States or on an Indian reservation that the Secretary determines is in danger of suffering serious damage or has suffered serious damage as a result of an

emergency. Additional information on eligible expenses and the process for applying for ER Program funding can be found in FTA's *Emergency Relief Manual: A Reference Manual for States & Transit Agencies on Response and Recovery from Declared Disasters and FTA's Emergency Relief Program (49 U.S.C. 5324)*, which was published on October 5, 2015.

While Congress did not provide funding for this program in FY 2022, recipients of FTA funding affected by a declared emergency or disaster are authorized to use funds apportioned under sections 5307 and 5311 for emergency purposes. Recipients are advised that formula funds used for emergency purposes will not be replaced or restored in the event Congress subsequently makes funding available through FTA under the ER Program or by the Federal Emergency Management Agency (FEMA).

In the event of a disaster affecting a public transportation system, the affected recipient should contact their FTA Regional Office as soon as practicable to determine whether Emergency Relief funds are available, and to notify FTA that it plans to seek reimbursement for emergency operations or repairs that have already taken place or are in process. If Emergency Relief funds are unavailable the recipient may seek reimbursement from FEMA. Properly documented costs for which the recipient has not received reimbursement from FEMA may later be reimbursed by grants made either from section 5324 funding (if appropriated) or sections 5307 and 5311 program funding, once the eligible recipient formally applies to FTA for reimbursement and FTA determines that the expenses are eligible for emergency relief.

In addition, before receiving a grant under this section following an emergency, the recipient shall: (1) submit documentation demonstrating proof of insurance required under Federal law for all structures related to the grant application; and (2) certify that the recipient has insurance required under State law for all structures related to the grant application.

Additional information about the Emergency Relief program is available on the FTA website at <https://www.transit.dot.gov/funding/grant-programs/emergency-relief-program>.

For more information, contact Tom Wilson, Office of Program Management, at 202-366-5279 or Tom.Wilson@dot.gov.

M. Public Transportation Safety Program (49 U.S.C. 5329)

Section 5329(e)(6) provides funding to support States with rail fixed guideway public transportation systems (rail transit systems) to develop and carry out State Safety Oversight (SSO) Programs consistent with the requirements of 49 U.S.C. 5329. *For more information, contact Maria Wright, Office of Safety Review at (202) 366-5922 or maria.l.wright@dot.gov.*

1. Authorized Amounts

A total of \$251.6 million is authorized over five years for the State Safety Oversight Program.

Fiscal Year	2022	2023	2024	2025	2026
Funds Authorized	\$48,062,162	\$49,066,231	\$50,347,409	\$51,387,466	\$52,693,836

2. FY 2022 Funding Availability

In FY 2022, \$48,062,162 is authorized and appropriated for the State Safety Oversight (SSO) program. With the addition of reappropriated funds, a total apportionment of \$49,011,483 is provided for FY 2022. The total amount allocated for the SSO program is as shown in the table below.

Public Transportation Safety Program – FY 2022	
Total Appropriation	\$48,062,162
Reappropriated Funds	\$949,321
Total Apportioned	\$49,011,483

3. Basis for Formula Apportionment

FTA will continue to allocate funds to the States by an administrative formula, which is detailed in the *Federal Register* notice which apportioned SSO Formula Grant

Program FY13 and FY14 funds (79 FR 13380). Grant funds for the SSO program are apportioned to eligible States using a three-tier formula based on statutory requirements, which apportion 60 percent of available funds based on rail transit system vehicle passenger miles (PMT), vehicle revenue miles (VRM), and directional route miles (DRM), 20 percent of available funds equally to each eligible State, and 20 percent based on the number of rail transit systems.

4. Requirements

FTA requires each applicant to demonstrate in its grant application that its proposed grant activities will develop, lead to, or carry out a State Safety Oversight program that meets the requirements under 49 U.S.C. 5329(e). Grant funds may be used for program operational and administrative expenses, including employee training activities. Please see the *Federal Register* notice which apportioned SSO Formula Grant Program FY13 and FY14 funds (79 FR 13380) for more information.

5. Period of Availability

SSO Formula Grant Program funds are available for the year of apportionment plus two additional years. Any FY 2022 funds that remain unobligated as of September 30, 2024, will revert to FTA for reapportionment under the SSO Formula Grant Program.

6. What's New and Other Program Highlights

Under the IIJA, the percent takedown for the SSO Formula Grant Program increased from 0.5% to 0.75% of the section 5307 Urbanized Area Formula Program. The IIJA enhances State safety oversight programs by strengthening rail inspection practices by providing state safety oversight agencies authority to collect and analyze data and conduct risk-based inspections of rail fixed guideway transportation systems. FTA continues to be authorized to issue restrictions and prohibitions to address unsafe conditions or practices, and to withhold funds for non-compliance with safety requirements.

N. State of Good Repair Program (49 U.S.C. 5337)

The State of Good Repair (SGR) program provides capital assistance for maintenance, replacement, and rehabilitation projects of existing high intensity fixed guideway and high intensity motorbus systems to maintain a state of good repair. Additionally, SGR grants are eligible for developing and implementing Transit Asset Management plans. This program provides funding for the following fixed guideway transit modes: rapid rail (heavy rail), commuter rail, light rail, hybrid rail, monorail, automated guideway, trolleybus (using overhead catenary), aerial tramway, cable car, inclined plane (funicular), passenger ferry, and bus rapid transit. Fixed-route bus capital projects for services operating on high-occupancy-vehicle (HOV) facilities are also funded through High Intensity Motorbus tier of this program. Of the amount authorized for Section 5337 each year, \$300 million is set aside for the competitive Rail Vehicle Replacement Program.

FTA published the State of Good Repair program guidance, FTA Circular 5300.1, *State of Good Repair Grants Program: Guidance and Application Instructions*, on January 28, 2015. The circular can be accessed at <https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/final-circulars>.

For more information about the SGR program, contact Kevin Osborn, Office of Transit Programs, at (202) 366-7519 or Kevin.Osborn@dot.gov.

1. Authorized Amounts

The IIJA authorizes \$18.35 billion over five years for the State of Good Repair program, including \$1.5 billion for the newly created Rail Vehicle Replacement Program, and provides an additional \$4.75 billion in advance appropriations.

Fiscal Year	2022	2023	2024	2025	2026
SGR Formula Funds Total	\$4,165,528,226	\$4,237,778,037	\$4,330,934,484	\$4,405,675,417	\$4,500,496,668

Rail Vehicle Replacement Program	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000
TOTAL	\$4,465,528,226	\$4,537,778,037	\$4,630,934,484	\$4,705,675,417	\$4,800,496,668

2. FY 2022 Funding Availability

In FY 2022, \$4,165,528,226 is authorized and appropriated for the State of Good Repair Formula program. As shown in the table below, these amounts are apportioned to support the State of Good Repair Formula program, for the High Intensity Fixed Guideway Formula program as well as the High Intensity Motorbus Formula program.

State of Good Repair Formula Program – FY 2022	
Total Appropriation	\$4,165,528,226
Oversight Deductions	(\$54,060,282)
Transfer to OIG	(\$95,000)
Reapportioned Funds	\$131,921
Total Available to Apportion	\$4,111,504,865
Total Apportioned to High Intensity Fixed Guideway Formula	\$3,994,326,976
Total Apportioned to High Intensity Motorbus Formula	\$117,177,889

Table 15 shows the FY 2022 State of Good Repair Program formula apportionments to eligible urbanized areas.

3. Basis for Formula Apportionment

FTA allocates State of Good Repair program funds according to a statutory formula. Funds are apportioned to urbanized areas with high intensity fixed guideway and high intensity motorbus systems that have been in operation for at least seven years. This means that only segments of high intensity fixed guideway and motorbus systems that entered into revenue service on or before September 30, 2014, are included in the formula, as identified in the NTD.

The law requires that 97.15 percent of the total amount authorized for the State of Good Repair program be apportioned to urbanized areas with “High Intensity Fixed Guideway” systems. The apportionments to urbanized areas with “High Intensity Fixed Guideway” systems are determined by two equal elements: (1) the proportion of the amount an urbanized area would have received in FY 2011 to the total amount apportioned to all urbanized areas in FY 2011 using new fixed guideway definition; (2) the proportion of vehicle revenue miles of an urbanized area to the total vehicle revenue miles of all urbanized areas and the proportion of directional route miles of an urbanized area to the total directional route miles of all urbanized areas. High Intensity Motorbus systems will receive the remaining 2.85 percent of the total amount authorized for the State of Good Repair program, and the apportionments to urbanized areas are based on vehicle revenue miles and directional route miles.

Vehicle revenue miles and directional route miles attributable to an urbanized area must be placed in revenue service at least 7 years before the first day of the fiscal year. A threshold level of more than one mile of high intensity fixed guideway is required in order to receive State of Good Repair funds. Therefore, urbanized areas reporting one mile or less of fixed guideway mileage under the NTD are not included. FTA will apportion funds to designated recipients in the UZAs (see section IV. C. of this notice for more information about designated recipients; FTA will apportion Section 5337 funds to the Section 5307 designated recipient for the UZA) with high intensity fixed guideway and/or high intensity motorbus systems operating at least 7 years. The designated recipients will then allocate funds as appropriate to recipients that are public entities in the urbanized areas and provide split letters to FTA. FTA can make grants to direct recipients after sub-allocation of funds.

4. Eligible Expenses

Eligible activities include projects that maintain, rehabilitate, and replace transit assets, as well as projects that implement Transit Asset Management plans. Additionally, training and workforce activities authorized under 49 U.S.C. 5314(b) and (c) are eligible for the State of Good Repair funds; funds for such activities are limited to 1 percent of the total amount apportioned to the recipient (0.5 percent for each of the authorized activities).

5. Requirements

In addition to the program guidance found in the circular, all recipients will need to certify that they will comply with the rule issued under Section 5326 for the Transit Asset Management plan, 49 CFR part 625, and SGR projects will need to be included in recipients' Transit Asset Management plans.

6. Period of Availability

The State of Good Repair Program funds apportioned in this notice are available for obligation during FY 2022 plus three additional years. Accordingly, funds apportioned in FY 2022 must be obligated in grants by September 30, 2025. Any FY 2022 apportioned funds that remain unobligated at the close of business on September 30, 2025, will revert to FTA for reapportionment under the State of Good Repair Program.

7. What's New and other Program Highlights

The IIJA created as a takedown from Section 5337 authorized amounts for the Rail Vehicle Replacement Program. This is a \$300,000,000 annual takedown. FTA will issue a NOFO with additional details including eligibility and program requirements.

O. Grants for Buses and Bus Facilities Program (49 U.S.C. 5339)

The Section 5339 program provides funding to replace, rehabilitate, and purchase buses and related equipment as well as construct bus-related facilities.

Additional guidance on the Section 5339(a) formula program can be found in FTA Circular 5100.1, which was published on May 18, 2015. This Circular will be updated to reflect the amendments to section 5339 by the IIJA. Information on the Section 5339(b) Buses and Bus Facilities Competitive Grant Program and the Section 5339(c) Low or No Emission Bus Competitive Grant Program was published in a Notice of Funding Opportunity on March 7, 2022 (87 FR 12528).

For more information about the Buses and Bus Facilities program, contact Amy Volz, Office of Transit Programs at (202) 366-7484 or Amy.Volz@dot.gov

1. Authorized Amounts

The IIJA authorizes a total of \$9.75 billion to be appropriated over five years for the Section 5339 Program. Of that amount, three-quarters of one percent is set aside for oversight. The IIJA provides an additional \$1,050,000,000 in advance appropriations for the Section 5339(c) Low or No Emission Program, with two percent set aside for oversight and administrative expenses.

Fiscal Year	2022	2023	2024	2025	2026
5339(a) Formula Program	\$599,462,712	\$611,986,119	\$627,965,806	\$640,938,080	\$657,231,976
5339(b) Bus Competitive	\$372,341,813	\$380,120,424	\$390,045,823	\$398,103,239	\$408,223,797
5339(c) Low or No Emission Discretionary	\$1,100,561,189	\$1,102,056,178	\$1,103,963,762	\$1,105,512,334	\$1,107,457,427
Oversight, Administrative and OIG transfer	\$28,884,376	\$29,049,089	\$29,259,260	\$29,429,876	\$29,644,180
Section 5339 Total	\$2,101,250,090	\$2,123,211,810	\$2,151,234,651	\$2,173,983,529	\$2,202,557,380

2. Funding Availability

In FY 2022, \$2,101,250,090 is authorized for section 5339 Buses and Bus Facilities or provided through advance appropriations. The Consolidated Appropriations Act, 2022, provided an additional \$250 million for Transit Infrastructure Grants, including \$175 million for the Buses and Bus Facilities Competitive Program and \$75 million for the Low or No Emission Grant Program, for a total appropriation of \$2,351,250,090 in FY 2022. For the Formula Program, a total apportionment of \$601,222,535 is provided after a takedown for oversight and the addition of reapportioned funds.

Grants for Buses and Bus Facilities Formula – FY 2022	
Total Appropriation	\$603,992,657
Oversight	(\$4,529,945)
Reapportioned Funds	\$1,759,823
Total Apportioned	\$601,222,535

3. Basis for Allocation

Section 5339(a) Buses and Bus Facilities formula program funds are apportioned to States, territories, and designated recipients based on a statutory formula. Under the national distribution, each State is allocated \$4 million, and each territory is allocated \$1 million, for use anywhere in the State or territory. The remainder of the available funding is then apportioned for UZAs based on population, vehicle revenue miles and passenger miles using the same apportionment formula and allocation process as section 5307. Funds for UZAs under 200,000 in population are apportioned to the State through a section 5339(a) Governor's apportionment for allocation to eligible recipients within such areas of the State at the Governor's discretion. Funds for UZAs with populations of 200,000 or more are apportioned directly to one or more designated recipients within each UZA for allocation to eligible projects and recipients within the UZA.

4. Eligible Expenses

Eligible capital projects under the Buses and Bus Facilities formula program (Section 5339(a)) continue to include projects to replace, rehabilitate, and purchase buses and related equipment, and projects to construct bus-related facilities. Recipients may use up to one-half of one percent of their Section 5339 funds to support workforce development activities at an 80 percent Federal share; the eligible workforce development activities are defined in Section 5314; see Section IV. K. of this notice for more information. This provision is in addition to the one-half of one percent that the recipients may use for training activities with the National Transit Institute.

5. Requirements

Eligible recipients of the Buses and Bus Facilities formula program (Section 5339(a)) include designated recipients that operate fixed route bus service or that allocate funding to fixed route bus operators; and state or local governmental entities that operate fixed route bus service that are eligible to receive direct grants under the Urbanized Area Formula (Section 5307) and Rural Formula (Section 5311) programs. Eligible subrecipients continue to include public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or low income.

The requirements of Section 5307 apply to recipients of Section 5339 funds within an urbanized area. The requirements of Section 5311 apply to recipients of Section 5339 funds within rural areas. For additional program requirements, refer to FTA Circular 5100.1.

6. Period of Availability

The Buses and Bus Facilities Formula Program funds apportioned in this notice are available for obligation during FY 2022 plus three additional years. Accordingly, funds apportioned in FY 2022 must be obligated in grants by September 30, 2025. Any

FY 2022 apportioned funds that remain unobligated at the close of business on September 30, 2025, will revert to FTA for reapportionment under the Buses and Bus Facilities Formula Program.

Discretionary program funds authorized under Section 5339(b) and (c) (Bus and Low No, respectively) follow the same period of availability: year of allocation plus three additional years.

7. What's New and Other Program Highlights

The Buses and Bus Facilities formula amounts for the national distribution is increased to \$4 million for each State and \$1 million for each territory. Additionally, both the Buses and Bus Facilities formula and competitive programs now require that applicants should, to the extent possible, utilize Innovative Procurement tools authorized under Section 3019 of the FAST Act, and if less than 5 buses are purchased through a standalone procurement, they must provide a written explanation to FTA explaining why they did not utilize the procurement tools authorized.

P. Growing States and High-Density States Formula Factors (49 U.S.C. 5340)

The IIJA continues the use of formula factors to distribute additional funds to the Section 5307 and Section 5311 programs for Growing States and High-Density States. FTA will continue to publish single urbanized and rural apportionments that show the total amount for Section 5307 and 5311 programs that includes Section 5340 apportionments for these programs.

a. Authorized Amounts

The IIJA authorizes \$3.879 billion over five years for the Growing States and High-Density States Formula factors, as shown below:

Fiscal Year	2022	2023	2024	2025	2026
Growing States	\$392,752,680	\$400,957,696	\$411,427,180	\$419,926,283	\$430,601,628

High Density States	\$348,290,112	\$355,566,259	\$364,850,518	\$372,387,459	\$381,854,274
Total Funds Authorized	\$741,042,792	\$756,523,956	\$776,277,698	\$792,313,742	\$812,455,901

b. FY 2022 Funding Availability

In FY 2022, \$741,042,792 is authorized and appropriated for apportionment in accordance with the formula factors prescribed for Growing States and High-Density States set forth in Section 5340 for FY 2022.

Growing States and High-Density States Formula Factors – FY 2022	
High-Density 5307 Formula	\$348,290,112
Growing States (5307 & 5311)	\$392,752,680
Total Apportioned	\$741,042,792

c. Basis for Formula Apportionment

Under the Growing States portion of the Section 5340 formula, FTA projects each State's 2025 population by comparing each State's apportionment year population (as determined by the Census Bureau) to the State's 2010 Census population and extrapolating to 2025 based on each State's rate of population growth between 2010 and the apportionment year. Each State receives a share of Growing States funds on the basis of its projected 2025 population relative to the nationwide projected 2025 population.

Once each State's share is calculated, funds attributable to that State are divided into an urbanized area allocation and a non-urbanized area allocation on the basis of the percentage of each State's 2010 Census population that resides in urbanized and non-urbanized areas. Urbanized areas receive portions of their State's urbanized area allocation on the basis of the 2010 Census population in that urbanized area relative to the total 2010 Census population in all urbanized areas in the State. These amounts are added to the Urbanized Area's Section 5307 apportionment. The States' rural area

allocation is added to the allocation that each State receives under the Section 5311 Formula Grants for Rural Areas program.

The High-Density States portion of the Section 5340 formula are allocated to urbanized areas in States with a population density equal to or greater than 370 persons per square mile. Based on this threshold and 2010 Census data, the States that qualify are Maryland, Delaware, Massachusetts, Connecticut, Rhode Island, New York and New Jersey. The amount of funds provided to each of these seven States is allocated on the basis of the population density of the individual State relative to the population density of all seven States. Once funds are allocated to each State, funds are then allocated to urbanized areas within the States on the basis of an individual urbanized area's population relative to the population of all urbanized areas in that State.

Q. Washington Metropolitan Area Transit Authority Grants

1. Authorized Amounts

Under the IIJA, \$150 million is authorized for each fiscal year from 2022 through 2030 for grants to the Washington Metropolitan Area Transit Authority (WMATA). After the one percent oversight takedown, \$148.5 million is available for obligation. Such funding is authorized under section 601 of the Passenger Rail Investment and Improvement Act of 2008. See Pub. L. 110–432, Division B, Title VI, as amended by the IIJA.

For more information about WMATA grants, contact Kevin Osborn, Office of Transit Programs, at (202) 366-7519 or Kevin.Osborn@dot.gov.

Washington Metropolitan Area Transit Authority Grants – FY 2022	
Total Appropriation	\$150,000,000
Oversight Deduction	(\$1,500,000)
Total Apportioned	\$148,500,000

Grants may be provided for capital and preventive maintenance expenditures for WMATA.

2. What's New and Other Program Highlights

The IIJA requires that \$5,000,000 of the funding made available each year be used for grants for the WMATA Office of the Inspector General to carry out operations in accordance with Section 9 of Article III of the WMATA Compact. Grants for capital and preventive maintenance projects may not be made until WMATA notifies the Secretary of Transportation that \$5,000,000 in non-Federal funds has been made available for the exclusive use of the WMATA Office of the Inspector General.

Furthermore, the IIJA requires that WMATA reform the WMATA Office of Inspector General and update its capital program planning and reporting procedures. FTA will provide additional guidance on these requirements to WMATA.

R. FY 2022 Transit Infrastructure Grants – Community Project Funding

1. Appropriated Amounts

The Consolidated Appropriations Act, 2022, appropriated \$200,798,267 for Community Project Funding/Congressionally Directed Spending for 80 projects in 27 States, identified in the accompanying Joint Explanatory Statement. Table 20 identifies the recipient, project, amount and a project ID that will be used to identify the project in TrAMS. As the Consolidated Appropriations Act, 2022 identifies that funds are for projects and activities eligible under Chapter 53, generally applicable Chapter 53 requirements apply to these funds, including the planning requirements of Sections 5303 and 5304; bus testing requirements of Section 5318; general provision requirements of Section 5323 (such as NEPA and Buy America compliance); contract requirements of Section 5325; project management requirements of Section 5327; nondiscrimination requirements of Section 5322; disposition requirements of Section 5334; and applicability of FTA oversight of Section 5338. Non-federal match is not required for these funds. Upon written request by the project sponsor in Table 20 and the requested direct recipient, FTA may approve another entity to act as the direct recipient of the funding and

the project sponsor may serve as a subrecipient. Pre-award authority is provided consistent with the requirements for FTA's formula funds as of the date all necessary requirements were met (see Section V, below.) However, before incurring costs, recipients are strongly encouraged to consult with the appropriate FTA Regional office regarding the eligibility of the project for future FTA funds and for questions on environmental requirements, or any other Federal requirements that must be met before incurring pre-award costs.

For more information about Community Project Funding grants, contact Kevin Osborn, Office of Transit Programs, at (202) 366-7519 or Kevin.Osborn@dot.gov.

Community Project Funding/Congressionally Directed Spending – FY 2022	
Total Appropriated	\$200,798,267

V. FTA Policy and Procedures for FY 2022 Grants

A. Automatic Pre-Award Authority to Incur Project Costs

1. Caution to New Recipients

While FTA provides pre-award authority to incur expenses before grant award for formula programs, it recommends that first-time grant recipients NOT utilize this automatic pre-award authority without verifying with the appropriate FTA Regional Office that all pre-requisite requirements have been met. Commonly, a new recipient may misunderstand pre-award authority conditions and be unaware of all the applicable FTA requirements that must be met in order to be reimbursed for project expenditures incurred in advance of grant award. FTA programs have specific statutory requirements that are often different from those for other Federal grant programs with which new recipient may be familiar. If funds are expended for an ineligible project or activity, or for an eligible activity but at an inappropriate time (e.g., prior to NEPA completion), FTA

will be unable to reimburse the project sponsor and, in certain cases, the entire project may be rendered ineligible for FTA assistance.

2. Policy

FTA provides pre-award authority to incur expenses before grant award for certain program areas described below. This pre-award authority allows recipients to incur certain project costs before grant approval and retain the eligibility of those costs for subsequent reimbursement after grant approval. The recipient assumes all risk and is responsible for ensuring that all conditions are met to retain eligibility. This pre-award spending authority permits an eligible recipient to incur costs on an eligible transit capital, operating, planning, or administrative project without prejudice to possible future Federal participation in the cost of the project. In this notice, FTA provides pre-award authority through the authorization period of the IIJA (October 1, 2022, through September 30, 2026) for capital assistance under all formula programs, so long as the conditions described below are met. Pre-award authority is indicated in the application. The actual items of cost associated with the use of pre-award authority are documented in the initial Federal Financial Report (FFR) that is required to be completed prior to the recipient executing the award. FTA provides pre-award authority for planning and operating assistance under the formula programs without regard to the period of the authorization. For projects funded by competitive programs, pre-award authority may be granted at the time of project selection. All pre-award authority is subject to conditions and triggers stated below:

a. Operating, Planning, or Administrative Assistance

FTA does not impose additional conditions on pre-award authority for operating, planning, or administrative assistance under the formula grant programs. Recipients may be reimbursed for expenses incurred before grant award so long as funds have been expended in accordance with all Federal requirements, costs would have been allowable

if incurred after the date of award, and the recipient is otherwise eligible to receive the funding. In addition to cross-cutting Federal grant requirements, program specific requirements must be met. Designated recipients of Section 5310 funds have pre-award authority for the ten percent of the apportionment for program administration.

b. Transit Capital Projects

For transit capital projects, the date that costs may be incurred varies depending on the type of activity and its potential to have a significant impact on the human and natural environment as described in section 3. Conditions below.

c. Public Transportation Innovation, Technical Assistance and Workforce Development

Unless provided for in an announcement of project selections, pre-award authority does not apply to Section 5312 Public Transportation Innovation projects or Section 5314 Technical Assistance and Workforce Development projects. Before an applicant may incur costs for activities under these programs, it must first obtain a written Letter of No Prejudice (LONP) from FTA.

For more information, contact Lisa Colbert, at the FTA Office of Research, Demonstration, and Innovation (TRI): Lisa.colbert@dot.gov or call 202-366-9261.

3. Conditions

The conditions under which pre-award authority may be utilized are specified below:

- i. Pre-award authority is not a legal or implied commitment that the subject project will be approved for FTA assistance or that FTA will obligate Federal funds. Furthermore, it is not a legal or implied commitment that all items undertaken by the applicant will be eligible for inclusion in the project.
- ii. All FTA statutory, procedural, and contractual requirements must be met.

- iii. No action will be taken by the recipient that prejudices the legal and administrative findings that the Federal Transit Administration must make in order to approve a project.
- iv. Local funds expended by the recipient after the date of the pre-award authority will be eligible for credit toward local match or reimbursement if FTA later makes a grant or grant amendment for the project. Local funds expended by the recipient before the date of the pre-award authority will not be eligible for credit toward local match or reimbursement. Furthermore, the expenditure of local funds or the undertaking of certain activities that would compromise FTA's ability to comply with Federal environmental laws (e.g., project implementation activities such as land acquisition, demolition, or construction before the date of pre-award authority) may render the project ineligible for FTA funding.
- v. The Federal amount of any future FTA assistance awarded to the recipient for the project will be determined on the basis of the overall scope of activities and the prevailing statutory provisions with respect to the Federal/local match ratio at the time the funds are obligated.
- vi. For funds to which the pre-award authority applies, the authority expires with the lapsing of the fiscal year funds.
- vii. When a grant for the project is subsequently awarded, the grant and the Federal Financial Report in TrAMS must indicate the use of pre-award authority and an initial Federal Financial Report must be submitted in TrAMS to associate those costs with the award.
- viii. Environmental Requirements - All Federal grant requirements must be met at the appropriate time for the project to remain eligible for Federal funding. Designated recipients may incur costs for design and environmental review activities for all formula funded projects from the date of the authorization of

the formula funds or for discretionary funded projects other than those funded by the Capital Investment Grants (CIG) program from the date of the announcement of the competitive allocation of funds for the project.

For projects that qualify for a categorical exclusion (CE) pursuant to 23 CFR 771.118(c), designated recipients may start activities and incur costs under pre-award authority for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials from the date of the authorization of formula funds or the date of the announcement of competitive allocations for the project.

FTA recommends that a grant applicant considering a CE pursuant to 23 CFR 771.118(c) contact the appropriate FTA Regional Office for assistance in determining the proper environmental review process, including other applicable environmental laws, and level of documentation necessary before incurring the above-mentioned costs. This applies especially when the grant applicant believes a c-list CE with construction activities, such as 23 CFR 771.118(c)(8), (9), (10), (12), or (13), or property acquisition applies to its project. If FTA subsequently finds that a project does not qualify for a CE under 23 CFR 771.118(c) and the sponsor has already undertaken activities under pre-award authority, the project will be ineligible for FTA assistance.

For all other non-CIG projects that do not qualify for a CE under 23 CFR 771.118(c), grant applicants may take action and incur costs for property acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials from the date that FTA completes the environmental review process required by NEPA and its implementing regulations, 23 U.S.C. 139, and other environmental laws, by its issuance of a 23 CFR 771.118(d) CE

determination, a finding of no significant impact (FONSI), a combined final environmental impact statement (FEIS)/record of decision (ROD), or a ROD.

ix. Planning and other requirements

Formula funds must be authorized, or appropriated, and competitive project allocations published or announced, before pre-award authority can be considered.

The requirements that a capital project be included in a locally adopted Metropolitan Transportation Plan, the metropolitan transportation improvement program, and the federally approved statewide transportation improvement program (23 CFR part 450) must be satisfied before the recipient may advance the project beyond planning and preliminary design with non-federal funds under pre-award authority. If the project is located within an EPA-designated non-attainment or maintenance area for air quality, the conformity requirements of the Clean Air Act, 40 CFR part 93, must also be met before the project may be advanced into implementation-related activities under pre-award authority triggered by the completion of the NEPA process. For a planning project to have pre-award authority, the planning project must be included in an MPO-approved UPWP that has been coordinated with the State.

x. Federal procurement procedures, as well as the whole range of applicable Federal requirements (e.g., Buy America, Davis-Bacon Act, and Disadvantaged Business Enterprise) must be followed for projects in which Federal funding will be sought in the future. Failure to follow any such requirements could make the project ineligible for Federal funding. In short, the administrative flexibility requires a recipient to make certain that no Federal requirements are circumvented.

- xi. All program specific requirements must be met. For example, projects under Section 5310 must comply with specific program requirements, including coordinated planning.

Before incurring costs, recipients are strongly encouraged to consult with the appropriate FTA Regional office regarding the eligibility of the project for future FTA funds and for questions on environmental requirements, or any other Federal requirements that must be met.

4. Pre-Award Authority for the Fixed Guideway Capital Investment Grants Program

Projects proposed for Section 5309 Capital Investment Grant (CIG) program funds are required to follow a multi-step, multi-year process defined in law. For New Starts and Core Capacity projects, this process includes three phases—project development (PD), engineering, and construction. For Small Starts projects, this process includes two phases: PD and construction. After receiving a letter from the project sponsor requesting entry into the PD phase, FTA must respond in writing within 45 days whether the information was sufficient for entry. If FTA's correspondence indicates the information was sufficient and the New Starts, Small Starts or Core Capacity project enters PD, FTA extends pre-award authority at that time to the project sponsor to incur costs for PD activities. PD activities include the work necessary to complete the environmental review process and as much engineering and design activities as the project sponsor believes are necessary to support the environmental review process. Upon completion of the environmental review process with a Record of Decision (ROD), Finding of No Significant Impact (FONSI), or Categorical Exclusion (CE) determination by FTA for a New Starts, Small Starts, or Core Capacity Improvement project, FTA extends pre-award authority to project sponsors to incur costs for as much engineering and design as needed to develop a reasonable cost estimate and financial plan for the

project, utility relocation, and real property acquisition and associated relocations for any property acquisitions not already accomplished as a separate project for hardship or protective purposes or right-of-way under 49 U.S.C. 5323(q).

For Small Starts projects, upon completion of the environmental review process and confirmation from FTA that the overall project rating is at least a Medium, FTA extends pre-award authority for vehicle purchases. Upon receipt of a letter notifying a New Starts or Core Capacity project sponsor of the project's approval into the engineering phase, FTA extends pre-award authority for vehicle purchases as well as any remaining engineering and design, demolition, and procurement of long lead items for which market conditions play a significant role in the acquisition price. The long lead items include, but are not limited to, procurement of rails, ties, and other specialized equipment, and commodities.

Please contact the appropriate FTA Regional Office for a determination of activities not listed here, but which meet the intent described above. FTA provides this pre-award authority in recognition of the long-lead time and complexity involved with purchasing vehicles as well as their relationship to the "critical path" project schedule. FTA cautions recipients that do not currently operate the type of vehicle proposed in the project about exercising this pre-award authority. FTA encourages these sponsors to wait until later in the process when project plans are more fully developed. FTA reminds project sponsors that the procurement of vehicles must comply with all Federal requirements including, but not limited to, competitive procurement practices, the Americans with Disabilities Act, and Buy America. FTA encourages project sponsors to discuss the procurement of vehicles with FTA in regard to Federal requirements before exercising pre-award authority. Because there is not a formal engineering phase for Small Starts projects, FTA does not extend pre-award authority for demolition and

procurement of long lead items. Instead, this work must await receipt of a construction grant award or an expedited grant agreement.

a. Real Property Acquisition

FTA extends pre-award authority for the acquisition of real property and real property rights for CIG projects (New or Small Starts or Core Capacity) upon completion of the environmental review process for that project. The environmental review process is completed when FTA signs a combined FEIS/ROD, ROD, FONSI or makes a CE determination. With the limitations and caveats described below, real estate acquisition may commence, at the project sponsor's risk. To maintain eligibility for a possible future FTA grant award, any acquisition of real property or real property rights must be conducted in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations, 49 CFR part 24. This pre-award authority is strictly limited to costs incurred: (i) to acquire real property and real property rights in accordance with the URA regulation, and (ii) to provide relocation assistance in accordance with the URA regulation. This pre-award authority is limited to the acquisition of real property and real property rights that are explicitly documented in the draft environmental impact statement (DEIS), FEIS, environmental assessment (EA), or CE document, as needed for the selected alternative that is the subject of the FTA-signed ROD or FONSI, or CE determination. This pre-award authority regarding property acquisition that is granted at the completion of the environmental review process does not cover site preparation, demolition, or any other activity that is not strictly necessary to comply with the URA, with one exception - namely when a building that has been acquired, has been vacated and awaits demolition poses a potential fire safety hazard or other hazard to the community in which it is located or is susceptible to reoccupation by unauthorized occupants. Demolition of the building is also covered by this pre-award authority upon FTA's written agreement that

the adverse condition exists. Pre-award authority for property acquisition is also provided when FTA makes a CE determination for a protective buy or hardship acquisition in accordance with 23 CFR 771.118(d)(3). Pre-award authority for property acquisition is also provided when FTA completes the environmental review process for the acquisition of right-of-way as a separate project in accordance with 49 U.S.C. 5323(q). When a tiered environmental review in accordance with 23 CFR 771.111(g) is used, pre-award authority is not provided upon completion of the first-tier environmental document except when the Tier-1 ROD or FONSI signed by FTA explicitly provides such pre-award authority for a particular identified acquisition. Project sponsors should use pre-award authority for real property acquisition relocation assistance with a clear understanding that it does not constitute a funding commitment by FTA. FTA provides pre-award authority upon completion of the environmental review process for real property acquisition and relocation assistance for displaced persons and businesses in accordance with the requirements of the URA.

b. Reimbursement of Costs Incurred under Pre-Award Authority

Although FTA provides pre-award authority for property acquisition, long lead items, and vehicle purchases upon completion of the environmental review process, FTA does not generally award Federal funding for these activities conducted under pre-award authority until the project receives a CIG program construction grant. This is to ensure that Federal funds are not risked on a project whose advancement into construction is still not yet assured.

c. National Environmental Policy Act (NEPA) Activities

NEPA requires that major projects proposed for FTA funding assistance be subjected to a public and interagency review of the need for the project, its environmental and community impacts, and alternatives to avoid and reduce adverse impacts. Projects of more limited scope also need a level of environmental review, to determine whether there

are significant environmental impacts or confirmation that a CE applies. FTA's regulation titled "Environmental Impact and Related Procedures," at 23 CFR part 771 states that the costs incurred by a grant applicant for the preparation of environmental documents requested by FTA are eligible for FTA financial assistance (23 CFR 771.105(f)). Accordingly, FTA extends pre-award authority for costs incurred to comply with NEPA regulations and to conduct NEPA-related activities, effective as of the earlier of the following two dates: (1) the date of the Federal approval of the relevant STIP or STIP amendment that includes the project or any phase of the project, or that includes a project grouping under 23 CFR 450.216(j) that includes the project; or (2) the date that FTA approves the project into the project development phase of the CIG program. The grant applicant must notify the appropriate FTA Regional Office upon initiation of the Federal environmental review process consistent with 23 CFR 771.111. NEPA-related activities include, but are not limited to, public involvement activities, historic preservation reviews, section 4(f) evaluations, wetlands evaluations, and endangered species consultations. This pre-award authority is strictly limited to costs incurred to conduct the NEPA process and associated engineering, and to prepare environmental, historic preservation and related documents. When a New Starts, Small Starts, or Core Capacity project is granted pre-award authority for the environmental review process, the reimbursement for NEPA activities conducted under pre-award authority may be sought at any time through section 5307 (Urbanized Area Formula Program) or the flexible highway programs (e.g., Surface Transportation Program or Congestion Mitigation and Air Quality Improvement Program). Reimbursement from the section 5309 CIG program for NEPA activities conducted under pre-award authority is provided only for expenses incurred after entry into the project development phase and only once a construction grant agreement is signed. FTA reimbursement for costs incurred is not guaranteed and recipients may not start activities and incur costs under pre-award authority for property

acquisition, demolition, construction, and acquisition of vehicles, equipment, or construction materials until the environmental review process is complete.

For more information about FTA's National Environmental Policy Act (NEPA) activities, contact Megan Blum, Office of Environmental Programs, at (202) 366-0463 or megan.blum@dot.gov.

d. Other CIG Project Activities Requiring Letter of No Prejudice (LONP).

Except as discussed in paragraphs i through iii above, a CIG project sponsor must obtain a written LONP from FTA before incurring costs for any activity not covered by pre-award authority. To obtain an LONP, an applicant must submit a written request accompanied by adequate information and justification to the appropriate FTA Regional Office, as described in B below.

For more information about the Fixed Guideway Capital Investment Grants program, including LONP policy, real property acquisition, and reimbursement of costs incurred under Pre-Award Authority, contact Elizabeth Day, Office of Capital Project Development, at (202) 366-5159 or elizabeth.day@dot.gov.

e. Pre-Award Authority for the Expedited Project Delivery (EPD) Pilot Program

The EPD Pilot Program, as authorized by Section 3005(b) of the Fixing America's Surface Transportation Act (FAST Act), is aimed at expediting delivery of new fixed guideway capital projects, small starts projects, or core capacity improvement projects. Section 3005(b) requires the FTA to notify Congress and the applicant, in writing, within 120 days after the receipt of a complete application, on the decision of project selection. FTA will extend pre-award authority for all eligible project costs at the time it is announced that a project has been selected. There is no pre-award authority provided until a project selection announcement is made, and costs incurred prior to project selection are not eligible. Letters of No Prejudice will not be provided for the

EPD Pilot Program, as all eligible costs are covered by pre-award authority at the time of project selection.

Although FTA provides pre-award authority for eligible project costs, FTA does not award Federal funding for activities conducted under pre-award authority until the project receives an EPD Pilot Program construction grant. This is to ensure that Federal funds are not risked on a project whose advancement into construction is not yet assured. To maintain eligibility for a possible future FTA grant award, any acquisition of real property or real property rights must be conducted in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations, 49 CFR part 24.

For more information about the Expedited Project Delivery Pilot Program, contact Mark Ferroni, Office of Planning and Environment, at (202) 366-3233 or mark.ferroni@dot.gov.

B. Letter of No Prejudice (LONP) Policy

1. Policy

LONP authority allows an applicant to incur costs on a project utilizing non-Federal resources, with the understanding that the costs incurred subsequent to the issuance of the LONP may be reimbursable as eligible expenses or eligible for credit toward the local match should FTA approve the project at a later date. LONPs are applicable to projects and project activities not covered by automatic pre-award authority. The majority of LONPs will be for Section 5309 CIG program projects undertaking activities not covered under automatic pre-award authority. LONPs may be issued for formula funds beyond the life of the current authorization or FTA's extension of automatic pre-award authority; however, the LONP is limited to a five-year period, unless otherwise authorized in the LONP, or otherwise extended. Receipt of Federal funding under any program is not implied or guaranteed by an LONP.

2. Conditions and Federal Requirements

The conditions and requirements for pre-award authority specified in section V.4.ii and V.4.iii above apply to all LONPs for the CIG program. Because project implementation activities may not be initiated before completion of the environmental review process, FTA will not issue an LONP for such activities until the environmental review process has been completed with a combined FEIS/ROD, ROD, FONSI, or CE determination.

3. Request for LONP

Before incurring costs for project activities not covered by automatic pre-award authority, the project sponsor must first submit a written request for an LONP, accompanied by adequate information and justification, to the appropriate regional office and obtain written approval from FTA. FTA approval of an LONP is determined on a case-by-case basis. Federal funding under the CIG program is not implied or guaranteed by an LONP. Specifically, when requesting an LONP, the applicant shall provide the following items:

- a. Description of the activities to be covered by the LONP.
- b. Justification for advancing the identified activities. The justification should include an accurate assessment of the consequences to the project scope, schedule, and budget should the LONP not be approved.
- c. Allocated level of risk and contingency for the activity requested.

C. FY 2022 Annual List of Certifications and Assurances

Section 5323(n) requires FTA to publish annually a list of all certifications required under Chapter 53 concurrently with the publication of this annual apportionment

notice. The FY 2022 version of FTA's Certifications and Assurances is available on FTA's website at FY 2022 Annual List of Certifications & Assurances.

FTA cannot make an award or an amendment to an award unless the recipient has executed the latest version of FTA's Certifications and Assurances. FTA encourages recipients of formula funding to execute the FY 2022 Certifications and Assurances electronically in TrAMS within 90 days of this notice, to prevent delays.

D. Civil Rights Requirements

Recipients must ensure their programs and services operate in a nondiscriminatory manner and fulfill reporting requirements to document their civil rights compliance as a condition to receiving Federal funds.

Recipients must carry out provisions of the Americans with Disabilities Act (ADA) of 1990, Section 504 of the Rehabilitation Act of 1973, as amended, and the Department of Transportation's implementing regulations at 49 CFR parts 27, 37, 38, and 39. FTA's ADA Circular (C 4710.1) provides guidance for implementing the regulatory requirements of the ADA.

- In addition, recipients must regularly prepare and submit in TrAMS civil rights program plans and reports to establish and demonstrate compliance and document policies and practices in the following areas: Title VI of the Civil Rights Act of 1964: The Department of Transportation's Title VI implementing regulations are found in 49 CFR part 21. FTA's Title VI Circular (C 4702.1B) provides guidance for carrying out the regulatory requirements and outlines the Title VI program requirements and timeline for submitting updates.
- Disadvantaged Business Enterprise (DBE) program: The Department of Transportation's DBE implementing regulations are found in 49 CFR part 26 and set forth requirements for implementing the DBE program in good faith and developing and reporting on the triennial DBE goal.

- Title VII of the Civil Rights Act of 1964, Equal Employment Opportunity (EEO): The Department of Transportation's EEO implementing regulations are found in 49 CFR part 21. FTA's EEO Circular (C 4704.1A) provides guidance for carrying out the regulatory requirements and outlines the EEO program submission process.

Recipients are expected to maintain current civil rights program plans and submit required reports in TrAMS. Recipients with past due or expired programs are ineligible for new funding awards and may be subject to other remedies or sanctions at FTA's discretion.

While not new requirements, recipients are specifically reminded of the following:

- Recipients awarding \$250,000 or more in FTA-funded contracts must comply with the Disadvantaged Business Enterprise (DBE) regulations, including by implementing a DBE program that affirmatively remedies the ongoing effects of discrimination in transportation contracting. The recipient must conduct outreach to and consultation with small businesses, women-owned businesses, and minority-owned businesses; apply DBE goals as needed when exercising pre-award authority; and verify the DBE certification of transit vehicle manufacturers before purchasing transit vehicles.
- Recipients in urbanized areas of 200,000 or more in population and with 50 or more fixed-route vehicles in peak service must conduct a service equity analysis for all service changes that meet the recipient's definition of "major service change" prior to implementing the service change. Those recipients also must conduct a fare equity analysis for all fare increases or decreases prior to implementing a fare change. Furthermore, an environmental justice analysis is not a substitute for a Title VI service equity analysis triggered by a major service

change or fare change. When a full equity analysis is not required due to the size of the recipient or duration of a change, FTA expects agencies to take steps to ensure changes are equitable and nondiscriminatory.

Recipients are encouraged to reach out to FTA's Office of Civil Rights when contemplating new projects, new services, or new service models for technical assistance and guidance, to support recipients in achieving their equity and accessibility goals and complying with federal civil rights requirements.

E. Consolidated Planning Grants (CPG)

FTA and FHWA planning funds under both the Metropolitan Planning and State Planning and Research Programs can be consolidated into a single consolidated planning grant, awarded by either FTA or FHWA. The CPG eliminates the need to monitor individual fund sources, if several have been used, and ensures that the oldest funds will always be used first.

Under the CPG, States can report metropolitan planning program expenditures to comply with the Uniform Guidance 2 CFR part 200, subpart F, for both FTA and FHWA under the Catalogue of Federal Domestic Assistance number for FTA's Metropolitan Planning Program (20.505). Additionally, for States with an FHWA Metropolitan Planning (PL) fund-matching ratio greater than 80 percent, the State can waive the 20 percent local share requirement, with FTA's concurrence, to allow FTA funds used for metropolitan planning in a CPG to be granted at the higher FHWA rate. For some States, this Federal match rate can exceed 90 percent.

States interested in transferring planning funds between FTA and FHWA should contact the FTA Regional Office or FHWA Division Office for more detailed procedures. FHWA Order 4551.1 dated August 12, 2013, on "Fund Transfers to Other Agencies and Among Title 23 Programs" provides guidance and more detailed information.

For further information on CPGs, contact Ann Souvandara, Office of Budget and Policy, FTA, at (202)366-0649 or ann.souvandara@dot.gov; or Victor Austin, Office of Planning and Environment at (202) 366-2996 or victor.austin@dot.gov.

F. Grant Application Procedures

All applications are filed electronically. FTA continues to award and manage grants and cooperative agreements using the Transit Award Management System (TrAMS). To access TrAMS, contact your FTA Regional Office. Resources on using TrAMS can be found on FTA's website at <https://www.transit.dot.gov/TrAMS>.

FTA regional staff is responsible for working with potential recipients to review and process grant applications. In order for an application to be considered complete and for FTA to assign a Federal Award Identification Number (FAIN), enabling submission in TrAMS, and submission to the Department of Labor (when applicable), the following requirements must be met:

- i. Applicants must be registered and have an "active status" in the System for Award Management (SAM) and its registration is current. To register an entity or check the status and renew registration, visit the SAM website at <https://www.sam.gov/SAM>.
- ii. Applicant's contact information is correct and up to date.
- iii. Applicant has properly submitted its annual certifications and assurances.
- iv. Applicant's Civil Rights submissions are current and approved.
- v. Recipient has a Transit Asset Management plan in place that meets the requirements of 49 CFR part 625 or is covered by a compliant Group Plan.
- vi. Documentation is on file to support status as either a designated recipient (for the program and area) or a direct recipient.
- vii. Funding is available, including any flexible funds included in the budget, and split letters or suballocation letters on file, where applicable, to support amount

being applied for in grant application.

viii. The activity is listed in a currently approved Transportation Improvement Program (TIP); Statewide Transportation Improvement Program (STIP), or Unified Planning Work Program (UPWP) unless such requirements have been waived for the specific funding and activity type to facilitate response and recovery from the COVID-19 public health emergency.

ix. All eligibility issues are resolved.

x. Required environmental findings are made.

xi. The application contains a well-defined scope of work including at least one project with accompanying project narratives, budget that includes scope codes and activity line-item information, Federal and non-Federal funding amounts, and milestones.

xii. Major Capital Projects as defined by 49 CFR part 633 Project Management Oversight must document FTA has reviewed the project management plan and provided approval.

xiii. Milestone information is complete. FTA will also review status of other open grants' reports to confirm financial and milestone information is current on other open awards.

xiv. Applicant has ensured that it has registered to report to the National Transit Database, and that any beneficiaries that provide public transportation service have also registered to report to the National Transit Database.

xv. FTA must provide Congressional notification before awarding competitive grants.

Other important issues that impact FTA grant processing activities are discussed below.

a. Award Budgets—Scope Codes and Activity Line Items (ALI) Codes; Financial Purpose Codes

FTA uses the Scope and Activity Line Item (ALI) Codes in the award budgets to track program trends, to report to Congress, and to respond to requests from the Inspector General and the Government Accountability Office (GAO), as well as to manage grants. The accuracy of the data is dependent on the careful and correct use of codes.

b. Designated and Direct Recipients Documentation

For its formula programs, FTA primarily apportions funds to the Designated Recipient in the large UZAs (areas over 200,000), or for areas under 200,000 (small UZAs and rural areas), it apportions the funds to the Governor, or the Governor's designee (e.g., State DOT). Depending on the program and as described in the individual program sections found in Section IV of this notice, further suballocation of funds may be permitted to eligible recipients who may then apply directly to FTA for the funding as direct recipients.

For the programs in which FTA can make grants to eligible direct recipients, other than the designated recipients, recipients are reminded that documentation must be on file to support the (1) status of the recipient either as a designated recipient or direct recipient; and (2) the allocation of funds to the direct recipient.

Documentation to support existing designated recipients for the UZA must also be on file at the time of the first application in FY 2022. Split letters or suballocation letters (Governor's Apportionment letters), must also be on file to support grant applications from direct recipients. Once suballocation letters for FY 2022 funding are finalized they should also be uploaded as part of the application into TrAMS.

The Direct Recipient is required to upload to TrAMS a copy of the suballocation letter (Letter) indicating their allocation of funding, for the appropriate fund program, when the applicant transmits their application for initial review. The Letter must be

signed by the Designated Recipient, or as applicable in accordance with their planning requirements. If there are two Designated Recipients, both entities must sign the Letter. The Letter must: 1) indicate the allocations to the respective Direct Recipients listed in the letter; 2) incorporate language above the signatories to reflect this agreement; and 3) make clear that the Direct Recipient will assume all responsibility associated with the award for the funds. When drafting the Letter, Designated Recipients may use the template language below:

“As identified in this Letter, the Designated Recipient(s) authorize the reassignment/reallocation of [enter fund source, e.g., Section 5307 funds] to the Direct Recipient(s) named herein. The undersigned agree to the amounts allocated/reassigned to each Direct Recipient. Each Direct Recipient is responsible for its application to the Federal Transit Administration to receive such funds and assumes the responsibilities associated with any award for these funds.”

1. Payments

Once a grant has been awarded and executed, requests for payment can be processed. To process payments FTA uses ECHO-Web, an Internet accessible system that provides recipients the capability to submit payment requests on-line, as well as receive user-IDs and passwords via email. New applicants should contact the appropriate FTA Regional Office to obtain and submit the registration package necessary for set-up under ECHO-Web.

2. Oversight

FTA is responsible for conducting oversight activities to help ensure that grant recipients use FTA Federal financial assistance in a manner consistent with their intended purpose and in compliance with regulatory and statutory requirements. FTA conducts periodic oversight reviews to assess recipient compliance with applicable Federal requirements. Each Urbanized Area Formula Program recipient is reviewed every three

years, (FTA's Triennial Review); and States and state-wide public transportation agencies are reviewed periodically to assess the management practices and program implementation of FTA state-wide programs (e.g., Planning, Rural Areas, Enhanced Mobility of Seniors and Individuals with Disabilities Programs). Other more detailed reviews are scheduled based on an annual recipient oversight assessment. Important objectives of FTA's oversight program include but are not limited to: determining recipient compliance with Federal requirements; identifying technical assistance needs and delivering technical assistance to meet those needs; spotting emerging issues with recipients in a forward-looking fashion; recognizing when there is a need for more in-depth reviews in the areas of procurement, financial management, and civil rights; and identifying recipients with recurring or systemic issues.

3. Technical Assistance

As noted throughout the notice, FTA continues to rely on several of the existing program circulars for general program guidance. FTA is continuing to update the program circulars, with an opportunity for notice and comment where warranted, to reflect amendments to chapter 53 of title 49, U.S.C. made by the IIJA. In the meantime, if you have any questions, please do not hesitate to contact FTA. FTA headquarters and regional staff will be pleased to answer your questions and provide any technical assistance you may need to apply for FTA program funds and manage the grants you receive. At its discretion, FTA may also use program oversight consultants to provide technical assistance to recipients on a case-by-case basis. This notice and the program guidance circulars previously identified in this document may be accessed via the FTA website at www.transit.dot.gov.

G. Grant Management

1. Grant Reporting

Recipients of FTA funds are reminded that all FTA recipients are required to report on their grants and that it is critical to ensure reports demonstrate that reasonable progress is being made on the project. At a minimum, all awards require a Federal Financial Report (FFR) and a Milestone Progress Report (MPR) on an annual basis, with some reports required quarterly or monthly depending on the recipient and the type of projects funded under the grant. The requirements for these reports and other reporting requirements can be found in FTA Circular 5010.1E, *Grant Management Requirements*, dated July 16, 2018. FTA staff, auditors, and contractors rely on the information provided in the FFR and MPR to review and report on the status of both financial and project-level activities contained in the grant. It is critical that recipients provide accurate and complete information in these reports and submit them by the required due date. Failure to report or demonstrate reasonable progress on projects can result in suspension or premature close-out of a grant.

2. Inactive Grants and Grant Closeout

In FY 2022, FTA will continue to focus on inactive grants and grants that do not comply with reporting requirements. If appropriate, FTA will take action to close out and deobligate funds from these grants if reasonable progress is not being made. The efficient use of funds will further FTA's fulfillment of its mission to provide efficient and effective public transportation systems for the nation. As inactive grants continue to be an audit finding within the DOT, FTA must take action to ensure its grants do not prevent the DOT from receiving a "clean audit" opinion on its annual financial statement.

At the end of Federal Fiscal Year 2022, FTA will identify the list of grants that were awarded on or prior to September 20, 2019, have had no funds disbursed or have not had a disbursement since September 30, 2021. FTA Regional Offices will contact grant recipients with grants that meet these criteria to notify them that FTA intends to close the grant and deobligate any remaining funds unless the recipient can provide

information that demonstrates that the projects funded by the grant remain active and the recipient has a realistic schedule to expedite completion of the projects funded in the grant.

3. Transportation Investments Generating Economic Recovery (TIGER), Better Utilizing Investments to Leverage Development (BUILD) and Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grants

Recipients of open TIGER, BUILD and RAISE grants should be aware that, as a matter of law, all remaining TIGER funds must be disbursed from grants by the end of the fifth fiscal year after the Expiration of Obligation Authority. (See 31 U.S.C. 1552.)

For FTA TIGER VII projects, that requirement takes effect at the end of FY 2022.

Accordingly, once ECHO closes for disbursements in late September 2022, all undisbursed funds within FTA TIGER VII- funded grants will no longer be available to the recipient. These undisbursed funds will be de-obligated from the grant. Even if a recipient has incurred costs or disbursed funds prior to the close of ECHO, if the recipient has not actually drawn down the funds by the time ECHO closes, FTA will be unable to reimburse the recipient. Therefore, recipients with open TIGER VII grants must ensure project activities are completed and all funds are drawn down before ECHO closes by late September 2022.

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies. Recipients should refer to applicable regulations and statutes referenced in this document.

Nuria I. Fernandez,
Administrator.

